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ABSTRACT

The workshop "Windows of Opportunity: Strategies for Organizational Change" was designed to help health professionals from a variety of community settings share their experiences and knowledge and become better informed about organizational change. The session began with a keynote address by David Morley, a professor of environmental studies at York University, and a warm-up exercise. The workshop facilitator identified four models of change (the machine, organism, community, and learner models) as guidelines for change agents in health and social organizations. Participants reviewed their own unique situations regarding organizational change and shared their experiences in small group discussions. Participants then worked to develop creative solutions to the problems inherent in many organizational change situations. Next, they identified and discussed the skills, knowledge, and challenges facing them as change agents. (Appended are the workshop brochure, agenda, warm-up exercise, and evaluation; a list of suggested readings; lists of facilitators/committee members and workshop participants; and reprints of the following articles: "Frameworks for Organizational Change: Towards Action Learning in Global Environments" (David Morley); "Mobilizing Organizations for Health Enhancement: Theories of Organizational Change" (Robert A. Goodman, Allan B. Steckler); and "Why Change Programs Don't Produce Change" (Michael Beer, Russell A. Eisenstat, Bert Spector). (MN)

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Windows of Opportunity
Strategies for
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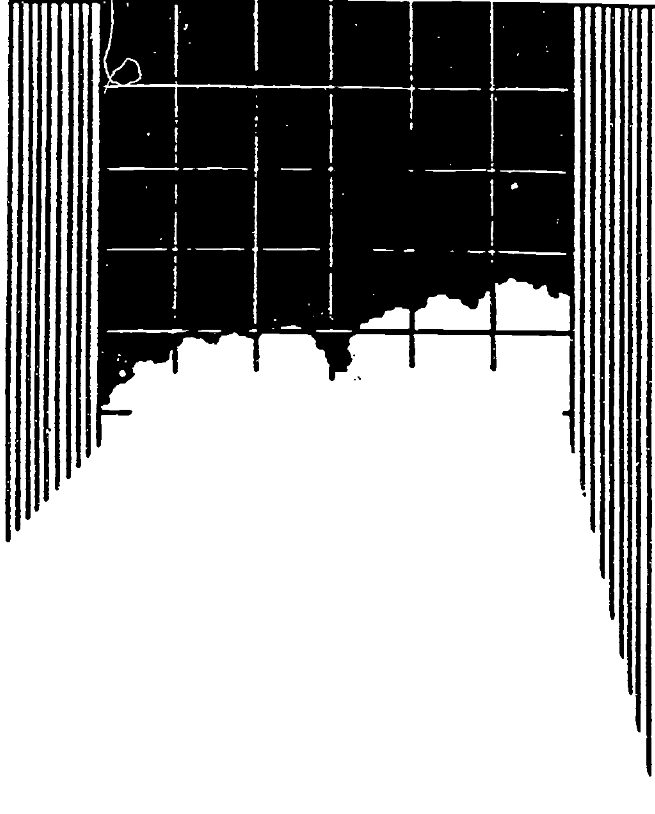

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Proceedings of the
Tenth Annual
Health Promotion Divison
Workshop
Friday, September 27, 1991

Compiled & Edited by Pat Varley

Assisted by Chris Stefou

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS 1

WORKSHOP OVERVIEW 3

WORKSHOP FACILITATOR AND KEYNOTE SPEAKER . . . 4

EXPLORING MODELS OF CHANGE - KEYNOTE ADDRESS . . 5

EXPERIENCES OF CHANGE - LESSONS LEARNED 9

OPENING WINDOWS OF OPPORTUNITY - SMALL GROUP REPORTS . 14

SUMMARY 20

APPENDICES 21

1. BROCHURE
2. AGENDA
3. CHANGE CHALLENGE - WARM-UP EXERCISE
4. WORKSHOP EVALUATION
5. SUGGESTED READINGS
6. ARTICLES
7. LIST OF PARTICIPANTS

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ACKNOWLEDGEMENTS

When the Health Promotion Division Steering group got together (via yet another teleconference!) to plan what would be the Division's 10th Annual Workshop, we decided it had to be timely, relevant to a large number of people, and practical.

Much discussion had centred on the many changes our organizations and structures were going through, and how well - or not so well! - we were coping. With the implementation of the Ministry of Health's Mandatory Core Programs, sweeping cuts in program and staffing funding, the shift in many Health Units to matrix management, many of us were feeling perplexed. The "Ah-ha" finally came when we recognized the obvious. What we needed, and felt that many others could benefit from, was a guided tour into the mysteries of organizational change.

Luckily, a few members of our committee were already well-versed in this area. After much discussion, we focused on exactly what aspects of organizational change we wanted to explore in the workshop. This was perhaps the most difficult task of all. Once decided, the logistics of planning the workshop lay in the eager and capable hands of the Workshop Planning Committee. My thanks and gratitude are extended to the following people:

Ruth Armstrong	Vision Management Services
Wendy Carew	North Bay and District Health Unit
Chris Green	Northwestern Health Unit
Carol Gold	Health Promotion Branch
Anne Louise Heron	Brant County Health Unit
Donna Heughan	Ministry of Health
Kristine Sisson	Multicultural Association, Peel
Alison Stirling	Ontario Prevention Clearinghouse
Pat Varley	Varley Consulting

- thanks to the workshop participants for their willingness to learn, enthusiastic participation, and extremely useful feedback.
- to the Ontario Public Health Association for their support and encouragement.
- to Ruth Armstrong, who helped shape the workshop content to meet the needs of our group, and did an excellent job of facilitating the day and keeping us all motivated.

- to Dr. David Morley, who's Keynote Address spoke to the heart of the issues we were faced with, and provided a workable balance between the theoretical and the practical.

- to Anne Louise Heron for her work on the brochure design.

- to the Metro YMCA for a comfortable meeting place and generous help.

- and finally, to Pat Varley who's input into the organization of the day, constant enthusiasm and hard work long after the workshop was over, has been greatly appreciated.

Kim Hodgson

Kim Hodgson
Chair, Health Promotion Division
1991

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WORKSHOP OVERVIEW

The workshop 'Windows of Opportunity: Strategies for Organizational Change' was designed for health professionals from a variety of community settings to become better informed about and to discuss their shared knowledge and experience with organizational change. Dr. David Morley, a Professor from the Faculty of Environmental Studies at York University, presented the Keynote Address and Ruth Armstrong, a Management Development Consultant and President of VISION Management Services, facilitated the workshop. Six facilitators assisted with the small group exercises (Wendy Carew, Carol Gold, Anne Louise Heron, Kim Hodgson, Kristine Sisson, Alison Stirling, and Pat Varley).

The session started with a warm-up exercise called The Change Challenge *(Appendix 3)* in which all participants asked each other questions about change events experienced in their lives. Thus, everyone began the workshop by identifying feelings from their own personal experience of change.

David Morley presented a review and discussion of models of organizational change *(Page 5)* and the effective use of these models within individual organizations. Following this presentation, workshop participants broke into small groups to discuss and compare their own experiences of change within their own organizations. *(Experiences of Change: Lessons Learned, Page 9)* Each group presented the highlights of their discussion in a plenary session facilitated by Ruth Armstrong.

Following lunch, the same small groups met again, this time with a specific assignment to review a case study *(A Scenario About Change, Page 12)*. Using one of the models from David Morley's presentation, they were asked to adjust that model and create a new model to help with the organizational change challenge. In the case study a health professional has been given the assignment of working with community agencies and volunteers to implement a community project. Participants were asked to list the skills they felt would be required by the change agent to best meet the challenges. After intense and creative discussion in the small groups, representatives of each group presented their novel solutions. *(Group Presentations, Page 14)*

In conclusion, Ruth Armstrong reviewed the accomplishments of the group during the day, ending with a list of the skills deemed necessary for internal change agents within health and social organizations. *(Skills Required, Page 18)*

KEYNCTE SPEAKER - DAVID MORLEY

David Morley originally trained as a geographer in England and Australia, specializing in human behaviour in urban environments. He taught in university departments in England and Canada before joining the new Faculty of Environmental Studies at York University in 1969.

Since then, he has connected teaching, in that non-traditional, transdisciplinary graduate setting, with extensions of research through the use of action research approaches to organizational change. He has worked in many organizational settings in Canada, the Caribbean, Latin America, Africa, and Israel.

Professor Morley has had extensive contacts with students with health and human services interests. He has an interest in the field and has been involved in many projects with health and social service agencies, community groups, and networks.

His current special interest is on the application of "Action Learning" -- that involves all participants in creating adaptive learning settings as a basis for organizational change within rapidly changing and uncertain settings.

WORKSHOP FACILITATOR - RUTH ARMSTRONG

Ruth Armstrong, B.A., M.B.A., is a management consultant, providing services which include management development and consultation to organizations. She specializes in the areas of strategic planning, negotiation and conflict resolution, organizational change, and human resource management.

Ruth is on the Faculty of York University, Ryerson Polytechnical Institute, and the Ontario Hospital Association. She teaches courses on "Strategic Management" and "Board, Community and Government Relations."

Having worked within the private sector as well as within government, Ruth has gained a comprehensive understanding of organizations and people at work. Her workshops on a variety of topics have proven to be effective tools in enhancing professional development, addressing organizational needs, and facilitating group problem-solving.

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EXPLORING MODELS OF CHANGE

Keynote Address Delivered by Professor David Morley
at the OPHA Workshop, September 27, 1991

Models of change can be psychic prisons. As such, they often inhibit the essential process of both the individual and organizational growth which is so essential to the success of organizations in today's world.

"Many people," said David Morley, "will take a simple model of change and follow it so stringently, that they block out any possibility for creative planning." We need to build our own structures with a new way of thinking and being. A model expresses only one dimension of our reality. Rather than passively accepting these models, Morley suggests that we must use them as guidelines, work on them, change them according to our own particular culture or framework, and once their use becomes limited--throw them out!

With this concept in mind, Morley distributed a table of four different models of organizational change (see Table 1) and continued to present a variety of possible applications and interactions with these models. He invited the audience to complete the table, with their own definition of the model, in response to the presentation and discussion. The four models he discussed were:

1. The Machine Model, which was established during the Industrial Revolution to provide a structure for controlling the masses of workers filling rote positions on assembly lines. This model is also sometimes called "Scientific Management" and involves a rigid hierarchical chain of command with a limited, centralized style of leadership. Rather than adapting to meet the needs of the environment, users of this model try to control the environment by using centralized planning and reinforcing specialization. Employees are trained and manipulated into a routinization that encourages specialization and individual success and discourages employee involvement. Therefore, members of the organization tend to be passive followers, waiting for instructions.

   Believers in this system avoid change, which represents turbulence and uncertainty, and all efforts go into supporting the status quo. If change does occur, it is decided by upper level management and an outside change agent is brought in to "solve the problem." Members passively wait for instructions. The learning model within this framework is standardized or what is called "single-loop learning" (you learn what you are told to learn) and skills are learned through format training where one is taught to adapt by using specific skills as identified by the organization.

2. The second model discussed was the Organism Model or Open\Living System. This model is also often referred to as Matrix Management and has a flatter structure than the Machine Model, proving to be more informal, adaptable, and relationship oriented than the Machine. Within this system "shared" is possible as departments and employees interact and collaborate to initiate and implement change.

   Departments are not so specialized and members know more of the "whole" picture of organizational planning. This team-driven approach involves boundary crossing within and between departments as all members analyze and problem-solve in an inter-disciplinary fashion. Training focuses on the importance of communication skills and tends to happen more on-the-spot than in classroom settings. Change agents are usually outsiders who work with members at all levels to assist them in developing this collaborative approach. This model connects more with the environment than the more traditional Machine Model.

3. The Community Model uses more of a Human Relations approach as introduced by such organizational change theorists as Kurt Lewin and Eric Trist. Using a democratic and participatory style, this model encourages all employees to take part in the decision making process. This approach is based on the premise that if people take part in the decision making they will be more committed to implementation and action. Management is participative and the skills required include those of facilitation, group process, and human resources. Learning is experiential.

4. The last model discussed was the Learner Model and uses an Action Learning approach to change based on the empowerment of employees to influence the change process. Members of the organization are the *key resources*, and as such are the people who truly define the needs of the organization. The learning model is adaptive and includes an essential stage of turbulence and a major investment of time, as problems are first identified and then re-framed in a new direction using a new approach. The skills required for this model are facilitation, communication, and process design. The entire process has a learning basis as people develop skills through interaction and involvement in the planning and implementation of change.

Morley asserts that the array of responses now available to organizations is enormous. As agents of change within our own organizations, we need to explore new ways to work together more effectively. As we do so, it is essential to remember some of the following ingredients for change.

First of all, error is inevitable. As members are truly challenged through a change process, they need to be encouraged and supported to risk the possibility of failure.

As well, positive feedback with reward and recognition is necessary as members take the risk to participate, especially for those organizations who have routinely rewarded employees for rote, mindless following of orders and instructions.

Thirdly, conflict is essential and not to be avoided. To reach the level of commitment and participation necessary for effective organizational change, all ideas and concerns need to be on the table before a decision is made.

Lastly, responsibility for the success of the organization rests with all members as they work and plan together for the best possible approach for their organization. The model for change must evolve as a unique approach to their own particular culture and needs. Therefore, it is most effective to use a variety of models; use the theories and experiences of those who have gone before; but as a change agent within your organization, always stress the need for realistic and creative approaches to produce a unique and ever-changing model.

TABLE 1
Models of Organizational Change

	MACHINE	ORGANISM	COMMUNITY	LEARNER
Model	Scientific Management	Living or Orgnsm Mod. Matrix Man.	Human Rels. Participat. Management	Action Lng Change Empowermnt
Ideology	Support status quo Resist chng	Informat'n exchange Adaptabilty	Democracy	Learning process by all mbrs.
Envirnm	Control environment	Open & interactive Self Regul.	Internal work	Interactve Open Adaptive
Leader	Top Down Centralized Autocratic	Informal "Shared" is possible	Visionary Democratic	Holographc Procss Org Participtv
Change Agent	External Main source	Analysis Prblm Slvng Bndry Crsg	Facilitatve Participatv	Outsiders Act'n Rsch Consultnts
Organiz. Members	Passive Waiting for instruct'ns	Committed Interactive Prblm Solv	Group Dynamics	Consensual Key Resource
Change Process	Structured Proceedural	Ad Hocracy	Participa-tion	Learning Based
Learning Model	Single Loop Learning Keep norms	Interactive Inform. Sharing	Experien-tial	Turbulent Active
Skills	Formal Analysis Training	Commncation Networking Interdisc.	Coalition Group Proc. Human Res.	Facilitatn Process Design

EXPERIENCES OF CHANGE - LESSONS LEARNED

During the morning working session, participants broke into small groups of 6-8 people to discuss their own experiences with organizational change. The following questionnaire guided the discussion:

1. Discuss the various organizational changes individuals within the group have experienced.

2. Pick one example that is either representative of the group's experience or offers a contrast.

3. Describe the impact this change had on:

   The Individual:

   The Organization:

   The Community:

4. Compare the expected to the actual outcomes of the change;

   Expected:

   Actual:

5. Identify the similarities and the differences between the change experience examined in the group and participants' experiences. Discuss the reasons for both the similarities and the differences.

   Similarities and why?

   Differences and why?

EXPERIENCES OF CHANGE - LESSONS LEARNED

PLENARY SESSION

1. **Organizational Changes Experienced**

All participants discovered changes occurring in their organizations, including: de-centralization, new staff, new leaders and/or directors, the creation of multi-disciplinary teams, and long range planning and implementation.

2. a) **Impact on the Individual**

The impact that change had on individuals was dramatic and included the following descriptives:

Relating to new staff
Confusion
Overwhelmed
Frustration
New sense of self worth
Frightening
Alienating
Salary change
Loss of status/power/auth.
Influences practise
Relief of routine & boredom
Display dormant skills
Redefining roles
Excitement
Uncertainty
Anxiety
Threatening
Isolating
Job loss
Resistance
Fatiguing
Annoying
Develop new skills

b) **Impact on the Organization**

The impact of the changes on the organization was, for the most part, positive and progressive. Although individually members often feel overwhelmed and confused, some of the expressions of change within their organizations include:

Confusion
Overwhelming
Hope for shared vision
Growth of peer support
Changes in skills base
Depleted resources
New structure & framework
Excitement
New Committees
Organization not ready
New relating/reporting relationships
Changes in job descriptions
Difficult to keep the positive changes going
Increased front-line participation in decision making

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c) **Impact on the Community**

The impact of organizational change on the community was varied and most often expressed as being "in transition" while attempting to establish a totally cooperative relationship. In some cases the change was viewed negatively by members of the community and in other areas Public Health and Community Services Agencies were working on the same committees.

4. **Expected and Actual Outcomes**

Some of the expected changes included better management of information, better service to clients, structural change, a shared vision , and more involvement with a multi-disciplinary approach. In all cases the change was still in process and no actual outcomes were yet identified.

5. a) **Similarities in Change Experiences**

Empowerment
Turbulence
Imposed Change
Resistance (Community, Individual, Management)
Shared Values

b) **Differences in Change Experiences**

1. Positive response vs. Negative response.
2. Differing philosophies.
3. Different structure of the Ministry of Health and Community and Social Services.
4. Imposed change vs. setting own mandate.
5. Varying extent of community involvement.

OPENING WINDOWS OF OPPORTUNITY

During the afternoon working session, participants were asked to review the following scenario of a change process, and then, using one of the models presented in the keynote address, to adapt the model to meet the needs of Helen (the change agent in the scenario). Each group then presented their new model in a Plenary Session and discussed the skills required by a change agent in a similar situation.

SCENARIO

The press release on new funding for community health employment projects finally arrived over the fax. Helen, Health Promotion Manager at the Countyview Health Unit, has been anticipating the announcement for weeks with a mixture of excitement and anxiety.

The Premier's Council on Health is flowing funds through regional district health councils and health units in regions experiencing the most serious economic difficulties. The purpose of the program is to help people hurt by the recession deal with their situation, and at the same time, improve the quality of life in their communities. "That's the good news!" thought Helen. "The bad news is that the government project is to provide jobs for up to one year only and is to start immediately."

Helen has already been informed by the Medical Officer of Health that she will have the responsibility of "coordinating" a collaborative effort involving a broad cross section of staff from various departments/disciplines and individuals/groups from across the community including voluntary associations, consumers, service clubs, business sector, labour representatives and social service providers. The board of health and the district health council are charged with overseeing this project. The board of health is meeting this evening and
Helen is expected to present some ideas of how this project will be handled.

"Okay Helen, take some deep breaths", Helen mumbled to herself as she sat down at her desk. "Remember all those stress reduction strategies you teach." Helen decided that she would review the situation she found herself in and then develop some strategies for taking advantage of the opportunity that presented itself.

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The goal of the project was certainly clear and worthy of serious effort. Helen assessed the barriers she anticipated in being able to achieve the project goal:

- to whom is Helen accountable? her medical officer of health, the district health council, or the board of health
- lack of experience on the part of health unit management in the complexities of collaborative ventures - inadequate organizational structures and processes in place to support a project of this type
- organizational objectives in conflict with basic philosophy of community development
- Helen is the coordinator with much responsibility but no control over resources or their allocation
- time constraints - is there enough time to implement this project effectively?
- the necessary involvement of many disciplines/departments, community groups and others is bound to raise turf issues and other sources of conflict.

Helen had to stop generating barriers before she felt completely overwhelmed by the challenge. At this point she was not sure whether she had the skills necessary to manage the kind of change process that would be required to implement this project.

THE CHALLENGE

- In your small group, start with the model of change that you have been assigned and apply it to the situation that Helen faces. Discuss how Helen could use and improve on this basic model by adding parts of other models in order to accomplish her goal-effective project implementation.

- Describe the "new" model that your group has developed.

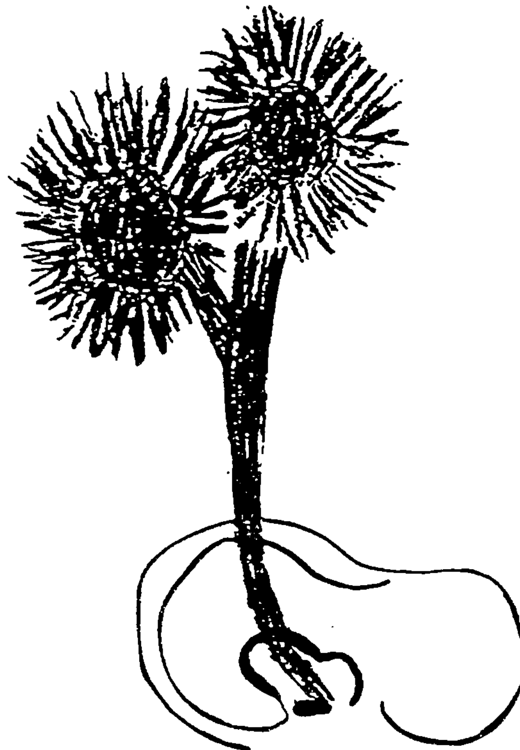
- What skills would Helen, as change agent, need so that she could apply your "new" model of change to this particular situation?

Groups were encouraged to find a metaphor or image to describe their model.

OPENING WINDOWS OF OPPORTUNITY
SMALL GROUP REPORTS

GROUP 1. The Van Gogh Model: Creativity in the Midst of Change

This group described very vividly, the advantages of using creativity to create a sense of order and focus from the inevitable chaos in the change process.



They concluded that:

- It is necessary for Helen to work with the Ministry of Health to change the terms of reference in order to accomplish the project goals.
- It is necessary to use the Machine Model directives to complete the task on time.
- It is essential to be "visionary" while applying components from different models.

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GROUP 2. <u>Machine\Learner Model</u>

This model included the following aspects:

. Components of the Machine Model: accountability, allocation of funds, permission to work with managers, direct support of the Ministry of Health, District Health Council, and Board of Health.

. Community: consultation with the community must have a vision, organizational problems, within the agency are a concern for community members.

. Components of the Learner Model: community groups establish the parameters

GROUP 3. <u>Organism/Community Model or the Bread Baking Model</u>

. also Learner Model because learning will take place in the community.

. possibility of Inter-Ministerial collaboration.

. hire a community person to consult with the community.

This group used the following analogy to describe the process:

Baking Bread

. *Have been given the flour but no recipe.*
. *What do we make? The first question.*
. *Where do we get the other ingredients?*
. *How do we make it? It's messy.*
. *It rises and falls before completed.*
. *May miss some of the ingredients.*
. *Timing may be wrong.*
. *If it works it will be good.*
. *Then we need to be sure it is distributed fairly.*
. *Not everyone will like it. There are many different recipes for bread.*
. *What happens when the bread is gone?*

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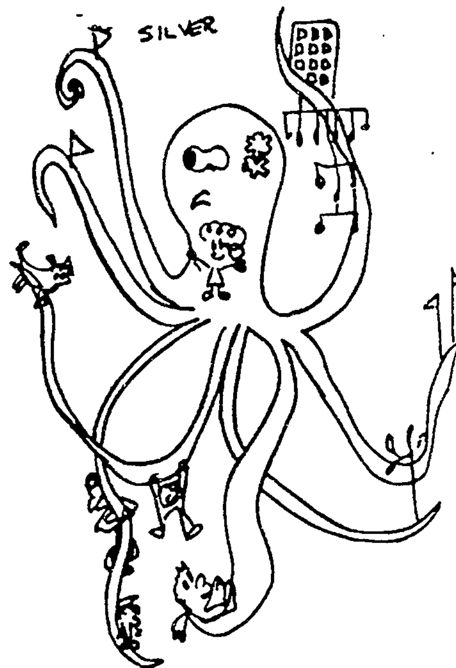
GROUP 4. Octopus Model

The Octopus Model acknowledges the multi-faceted aspects of Helen's task. She must use parts of all the models and connect all concerned parties in a positive manner.



Notes from the Octopus Model Group:

- Helen's mistake - negativity
  - she doesn't know how to work the system
  - needs to start with the MOH.
- But opportunity exists to implement changes.
- Can use the Machine to advantage - hierarchically directed - inferred power.
- Need to work within the system and form alliances with community groups already working in similar areas - involving community.
- Need different styles in dealing with community and agency.
- Get the MOH on side (role = budget, authority).
- Get MOH to communicate to other managers - sharing resources.
- Hire a key community grass roots worker.
- Arrange a party with child care and transportation available.
- Do dishes with community people (to get gossip).
- Brainstorm - "What can we do as a community to combat the recession?"
- Change agent shifts from Helen to the community.

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GROUP 5. Case-Study - Machine Model

- Helen must work within the system.
- Helen needs to use the Machine Model to her advantage - "I am under orders to do this." She has influence and power.
- have to involve the community in the project.
- this is definitely an opportunity for her to introduce new models.

GROUP 6. CREA-ACT Model

1. Get policy support.

2. Clarify administrative details.

3. Share internal leadership.

4. Form external steering committee (OUTHOUSE)

5. Mobilize IN-HOUSE resources.

GROUP 7. Transgressive Model or "Pendulum Model"

Change Agent - facilitates

Accountability - go to the community groups for advice

This is a group-driven process.

Informal Shared Leadership

1. Health Unit Sub-committee defines goals.
2. Consumers prioritize and develop ACTION PLAN
3. Medical Officer of Health gives approval.

The facilitator, Ruth Armstrong, assisted participants in identifying the skills, knowledge, and attributes required by a change agent, such as Helen, in order to implement the change models.

SKILLS:

People
- facilitation
- group dynamics
- negotiation
- conflict resolution
- communication
- cultural sensitivity
- diplomacy
- class sensitivity
- group process
- evaluation

Task
- well organized
- problem solving
- analytical
- trouble shooting
- focus
- critical thinking
- management
- evaluation
- planning

KNOWLEDGE:
- participatory and action research
- organizational design
- political structures
- policy development
- budgeting
- community
- community development
- change theory
- group process
- evaluation
- needs assessment
- use of info and values

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- positive wants assessment
- adult learning
- leadership

ATTRIBUTES:

- humour
- creativity
- credibility
- patience
- enthusiasm
- faith
- hope
- tenacity
- self-awareness
- flexibility
- assertiveness
- risk-taker
- optimism
- visionary
- power sharing

SUMMARY

During the plenary session, Ruth Armstrong reviewed the highlights of the day.

1. Theory: Four models of change were identified as guidelines for change agents in health and social organizations (Machine Model, Organism Model, Community Model, and Learner Model). She stressed once again the importance of using the theory to create a unique model to best meet the needs of your organization.

2. Experience: In the morning session participants reviewed their own unique situations with organizational change and shared their experiences in small group settings. They then had the opportunity to review a "Change Challenge Case Study" and, working in their small groups, to create their own models of change and identify solutions to the problems involved. Following this exercise, they listed the skills they felt would be required by a successful change agent.

3. Problem-Solving: Using their problem-solving skills, participants developed creative solutions to the problems inherent in many organizational change situations. These new models and creative strategies and approaches to change demonstrated the inherent ability of workshop participants to meet the challenges of their own organizational issues.

4. Resources Required: Much time was spent during the plenary, identifying and discussing the skills, knowledge, and challenges facing them. The impact of this lengthy list of inner resources required by a change agent was overwhelming for some participants. One comment was, "This inventory makes me feel very inadequate," which reflects the response of others during the plenary discussion.

CONCLUSION

In conclusion, because of changing public health needs and continuing political and economic uncertainty, "change" is an inevitable and significant part of health promotion. What is the role for health promoters within this change process? It is evident that our role is diverse and that, as change agents within our organizations, we need knowledge of theory and model development, multiple skills to facilitate that process, and inner strength and self-confidence to follow through with essential actions for change. Although this can be an overwhelming challenge, it is important that we each, individually, have the courage and stamina to face that challenge and further open the windows of opportunity for organizational change.

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APPENDICES

1. Brochure
2. Agenda
3. Change Challenge - Warm-up Exercise
4. Workshop Evaluation
5. Suggested Readings
6. Articles
7. List of Participants

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Registration

Windows of Opportunity:
Strategies for Organizational Change

Detach and mail with cheque or money order payable to:
Ontario Public Health Association
468 Queen Street E., Suite 202
Toronto, Ontario
M5A 1T7

Please check here if a receipt other than your cancelled cheque is required.

Name

Agency

Address (street, city, postal code)

Telephone #

Please indicate and describe any special needs.

Workshop space is limited. Register early to avoid disappointment. **Deadline: September 14**

80% refund before September 14, 1991
No refund or credits after September 14, 1991

Workshop

Workshop Goal

Participants to develop an ability to initiate and facilitate the change process within organizations.

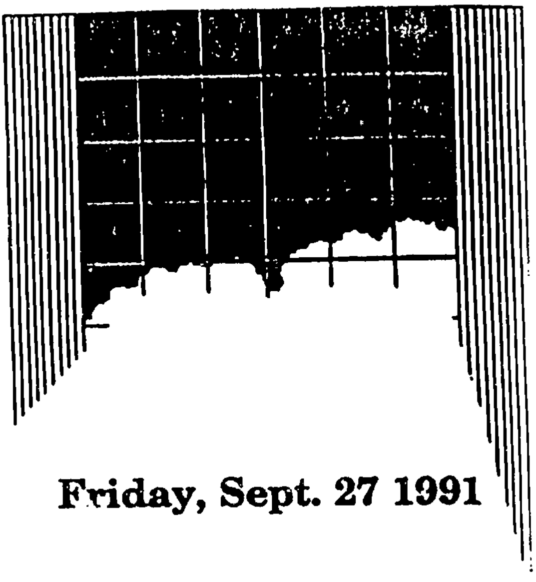
Your Experience

This workshop is designed for you to learn about, discuss, and apply models of organizational change. The morning section ***"Experiences of Change - Lessons Learned"*** will focus on forces that help and hinder bringing about change, sharing your experience with organizational change. To prepare for this discussion, please give some thought to the following questions:

* Identify one organizational change you have experienced.
* During and following this change -
  How were you affected?
  How was the organization affected?
  How was the community affected?
* What role did you play in the situation?
* What were some of the barriers to this change?
* What were the expected outcomes?
* What were the actual outcomes?

To build on your experience in the afternoon section "Opening Windows of Opportunity", five groups will take a scenario describing a potential organizational change.

Windows of Opportunity: Strategies for Organizational Change



Friday, Sept. 27 1991

Health Promotion Division
Ontario Public Health Association
10th Annual Workshop

Location:
YMCA Metro Toronto
20 Grosvenor Street
Toronto

About the Speakers

David Morley, Ph.D.
Professor, York University, founding member of Environmental Studies
Special focus - organizational change in unstable and turbulent environments
Works in a wide range of settings - international, corporate, governmental, community-based; often in health and human services
Author of Learning Works: Searching for Organizational Futures (1990) and Planning in Turbulence (1988).

Ruth Armstrong, B.A., M.B.A.
President of the management consulting practice, Vision Management Services
Faculty member York University and Ryerson Polytechnical Institute
Special focus - strategic planning, negotiation, conflict resolution, organizational change and human resource management
Works with private and public sectors

Workshop Planning Committee

Kim Hodgson	Wendy Carew
Carol Gold	Chris Green
Donna Haughan	Pat Ouchterlony
Kristine Sisson	Alison Stirling

Windows Of Opportunity: Strategies for Organizational Change

Program Outline

Goal: *Participants to develop an ability to initiate and facilitate the change process within organizations*

Time	Session
8:30 - 9:00	*Registration*
9:00 - 9:15	*Introductions* Health Promotion Division
9:15 - 10:15	*Keynote Address* Exploring Models of Change David Morley, Ph.D., Professor, Environmental Studies, York University
10:15 - 10:30	*BREAK*
10:30 - 11:30	*Small Groups* Experiences of Change - Lessons Learned
11:30 - 12:00	*Plenary* Examining the Change Experience Ruth Armstrong, Facilitator
12:00 - 1:00	*LUNCH*
1:00 - 1:15	Energizer and Recap
1:15 - 2:45	*Small Groups* Opening Windows of Opportunity
2:45 - 3:00	*BREAK*
3:00 - 3:30	*Plenary* Collecting Strategies Ruth Armstrong, Facilitator
3:30 - 4:00	Inventory of Skills Needed for Change
4:00 - 4:30	Wrap up and Insights

Registration Fees

For participants within 100 km of Toronto:

OPHA members	$80.00
Non-members	$95.00

For participants outside 100 km radius of Toronto:

OPHA members	$60.00
Non-members	$80.00

Students/underemployed $35.00

Registration fees include lunch and materials.

Child care: $10.00/child/day
To book child care your registration must be received before September 20th.
Please indicate the name and ages of children.

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Total amount enclosed $________
(GST included in the fees)

80% refund before September 14, 1991
No refunds or credits after September 14, 1991

Registration by FAX: (416) 367-2844
Payment must be received to confirm registration
Payable to OPHA by cheque or money order.

For further registration information contact:
OPHA office (416)367-3313

WORKSHOP - September 27, 1991

WINDOWS OF OPPORTUNITY: STRATEGIES FOR ORGANIZATIONAL CHANGE

AGENDA

8:30 - 9:00 Registration & "Change Challenge" exercise

9:00 - 9:15 Welcome & Agenda Review: Health Promotion Div. chair Kim Hodgson
Greetings from O.P.H.A. president: Suzanne Jackson
Introduction to Speaker: Pat Varley-Ouchterlony

9:15- 10:15 **Exploring Models of Change** *Keynote Address*
David Morley - Professor, Environmental Studies York University

10:30 **Experiences of Change - Lessons Learned** *Small Groups*
Using participants prepared examples of their experiences of change guided discussion focuses on forces facilitating change & barriers

11:30 **Examining the Change Experience** *Plenary*
Facilitator Ruth Armstrong

12:00-1:00 LUNCH

1:00 - 1:15 Energizer & Recap

1:15 **Opening Windows of Opportunity** *Small Groups*
Small groups take a scenario describing potential organizational change
Different models for change are used in the exercise

2:45 **Collecting Strategies** *Plenary*
Facilitator Ruth Armstrong

3:30 **Inventory of Skills Needed for Change** *Plenary*

4:00 - 4:30 Wrap Up and Insights

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Windows of Opportunity: Strategies for Organizational Change

THE CHANGE CHALLENGE

Using this form, please talk to as many people as you can about changes in their lives; how did they feel as they anticipated the change, as the change occurred, and following the change process? Collect as many names as you can and we will discuss the challenge at the beginning of the workshop.

1. The name of a person who has moved in the last two years.

 ____

2. The name of a person who has recently had a baby.

 ____

3. The name of a person who has changed jobs in the last year.

 ____

4. The name of a person who has recently returned to school.

 ____

5. The name of a person who has ever fallen in love.

 ____

6. The name of a person who has married in the last two years.

 ____

7. The name of a person who has lost weight in the last year.

 ____

8. The name of a person who recently changed their hairstyle.

 ____

9. The name of a person who has evert stopped smoking.

 ____

10. The name of a person who has an unusual change to discuss.

 ____

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APPENDIX 4

Windows of Opportunity: Strategies for Organizational Change

Workshop Evaluation

Fifty-two percent (52%) of the 50 participants completed evaluation forms at the end of the workshop. Of those 26 participants, 38% were from the Metro Toronto area and 62% had travelled from out of town to attend the workshop. Fifty-four percent (54%) worked in Public Health Units while other areas represented included: Community Health Centres (2), Social Service Agency, Community Intervention Research, Private Industry, Community Centre, Government, Pharmaceutical Co., Heart Health Project, Consulting Firm, University of Toronto, and Assoc. for Community Living.

Overall, participants rated the workshop as above average (80%) in value. Comments about major insights gained from the workshop include:

- why changes do not occur
- one model is not the be-all and end-all
- change is similar in many settings
- four models and how to mix and match
- an increased understanding of community development
- understanding models and the role of change agents
- our DPH needs to hire non-nurses to help improve health promotion. They could improve the energy level because they bring less baggage than the nurses do.
- working towards change within mechanistic organizational structure
- "change" in context - theoretical, organizational, practical
- errors are not a fault but a vehicle for learning
- the different models were new to me and I feel they will be useful frameworks in which to view organizations that I worked with
- having a metaphor to describe your organization presently and creating a new image
- clarifying ideological basis
- take opportunities when windows are open and make use of the power you have
- use of metaphors to create or be visionary
- context - being creative with opportunities
- need for flexibility
- assertiveness
- political awareness
- boundaries
- communications skills
- listening
- empowering

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- political savvy
- analytical
- balancing between leading and giving control to the group
- involving everyone-shared values and vision
- politician
- negotiation
- planner
- people skills
- analytical skills
- creativity (I think I have developed these skills already but can now continue to develop them even further).
- negotiation
- conflict resolution
- bringing staff and community into the issue
- analytical
- organizational skills
- understanding the change process
- problem-solving
- conflict resolution

All participants found the presentations and facilitation of David Morley and Ruth Armstrong to be more than valuable. Overall the small group facilitators were considered valuable although in some areas groups found that the approach used was overly controlling and in other areas there was not enough structure.

The small group exercises were seen to be useful with the afternoon session providing a more significant learning experience. Some of the comments about the small group sessions are:

- the afternoon session was difficult
- confusing in the afternoon working with the models - not constructive enough
- enjoyed hearing about others experiences
- personal needs were very important - more time to deal with each agency/person's issues i.e. personal consultation
- discussions were valuable; the questionnaire limited creative, innovative, critical thinking
- challenge to get started

Topic suggestions for future workshops are:

- strategic planning
- conflict resolution
- discussion of different educational programs (Masters & Doctoral) which provide background and skills suited to those working in the public health field
- facilitation of change
- negotiation skills
- health promotion and planetary health
- examples of successful and unsuccessful change in a variety of settings other than Health Units
- multi-disciplinary conflict
- community development
- let's have those examples from Poverty Projects, Women's Groups, Multicultural Groups, etc., so we can learn from them

Health Promotion Division
Ontario Public Health Association

WINDOWS OF OPPORTUNITY: STRATEGIES FOR ORGANIZATIONAL CHANGE

SUGGESTED READINGS

Beer, Michael, Russel A. Eisenstat and Bert Spector. "Why Change Programs Don't Produce Change. Harvard Business Review, November-December, 1990. pp 158-166.

Glanz, K. R. M. Lewis and B.K. Rimer (eds) Health Behavior and Health Education. Jossey-Bass Publishers, San Francisco 1990.

Hershey, Paul and Blanchard, K.H. Management of Organizational Behaviour. Prentice Hall Inc., 1969

Morgan, Gareth. Images of Organization. Beverly Hills: Sage, 1986.

Morgan, Gareth. Riding the Cutting Edge of Change. San Francisco, California: Jossey-Bass Publishers, 1988.

Moss-Kanter. The Changemasters. New York: Touchstone, 1983.

Schon, Donald A. Educating the Reflective Practitioner. San Francisco: Jossey-Bass, 1987.

Weisbord, Marvin R. Productive Workplaces: Organizing and Managing for Dignity, Meaning, and Community: San Francisco: Jossey-Bass, 1987.

Wright, Susan and David Morley (eds.). Learning Works: Searching for Organizational Futures. Toronto: ABL Publications. Faculty of Environmental Studies, York University, 1989.

from: Learning Works: Searching for Organizational Futures. Toronto: ABL Publications, Faculty of Environmental Studies, York University, 1989.

David Morley

Frameworks for Organizational Change: Towards Action Learning in Global Environments

Those of us working in the organizational-change tradition, which has its origins in the decades immediately following the Second World War, stand in considerable awe of the reputations of the first generation of practitioners that effectively created the field. So generative and powerful has been the impact of the work of people like Ackoff, Argyris, Ashby, Bennis, Bion, Churchman, Emery, Lewin, Lippitt, McGregor, Trist, Schon, Vickers, and others - so prescient their insights into the future of organizations - that a very significant part of organizational-change work continues to elaborate upon the ideas and questions that they initiated. Not surprisingly, this tendency is frequently demonstrated in this volume, in which the linkages between the authors' works and the generative ideas of Eric Trist, a key member of the first generation, are a central issue.

The underlying propositions of this field relate to the need for continuing adaptation and learning among the actors in organizational settings set within constantly changing and uncertain environments. Work on the inherited agendas in the field of organizational change is, therefore, far from complete-and, in fact, can never be completed. There will always be new dimensions of change that challenge existing organizations and focus concern on the need of extended social organizational capacities and responses.

Although this individual and collective learning approach to the social organization as environment has always been central to the organizational-change field, a more general awareness of the importance of learning has been reinforced in recent years by the recognition of the impact of the new communications technologies. By intensifying the information content of environments, these technologies have increased the power of our metaphoric, linguistic, and perceptual images to develop organizational awareness and response to changing environments. As a result, a distinctive "contextual" world-view is emerging, based on the development of knowledge by organizations as a function of their members' perception of their informational environments. As a result, a distinctive "contextual" world-view is emerging, based on the development of knowledge by ortanizations as a function of their members' perception of their informational environments.

Such a view of organizations as coexistent with their environments can result in important insights into the processes by which society responds to critical issues. This potential is examined in the light of significant changes in societal perspectives on environments. One result of these changes is an expression of the urgent need for institutional responses that incorporate a global scale into decision and action frameworks.

The term "contextualism" can also be applied to current expressions of "environment" as a generic and encompassing condition (rather than in its more limited application to specific physical and functional aspects of setting). Emerging contextual awareness appears to be undermining some of the social and institutional barriers that have resisted the use of open systems and environmental thinking as a basis for framing and addressing such critical societal problems as deteriorating natural environments, populations growth, international trade imbalances, rapid urbanization, the arms race, uncertain world financial institutions, or those problems associated with such broad issues as health, poverty, aging, and international terrorism. Contextual perspectives of such complex systems of problems emphasize their broad-ranging and overlapping character. This emphasis leads to a growing demand for equally complex, multi-organizational, and multi-sectoral responses - in contrast to the standard institutional tendency to closed-system thinking that has led to the dominance of specialist (disciplinary, professional, or sectoral) views of such large-scale problems.

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With increasing reference to such critical issues by the information media and apparent expressions of a growing public awareness and concern comes a recognition that responses to these clusters of issues must extend beyond local, national, or even regional scales. Such problems have to be confronted simultaneously in both local and global contexts. However, these insights are of little value without a corresponding development of institutional capacities to respond to what, up to now, have been viewed as "unaddressable" problems. This critical need is spelled out explicitly in the Brundtland Report (World Commission on Environment and Development 1987:310) - one of the most influential recent attempts to address the issue of the global problem - in this way:

> The integrated and interdependent nature of the new challenges and issues contrasts sharply with the nature of the institutions that exist today. These institutions tend to be independent, fragmented, and working to relatively narrow mandates with closed decision processes. Those responsible for managing natural resources and protecting the environment are institutionally separated from those responsible for managing the economy. The real world of interlocked economic and ecological systems will not change; the policies and institutions concerned must.

This focus on the critical importance of extending organizational and institutional capacities as a primary requisite for globally oriented policy development and implementation presents a major challenge to the organizational-change field, precisely because of its integrated, contextual approach.

Given this new awareness of the global context in which organizations operate, it is not surprising that many of the principles underlying the forty years of organizational-change work that this volume inherits are being rediscovered. Unfortunately, this rediscovery is taking place independently of the body of organizational-change work, and there has been little explicit reference to it in the international debate currently taking place. Consequently, there is a real possibility that the organizational perspective that is the focus of this book will fail to play its potentially significant role in the search for organizational frameworks capable of responding to the demands for action in a global context. Emery has raised directly the issue of the "essential failure" among the social sciences to respond to the original post-Second World War agenda of issues, and questioned whether we are in any position to contribute to society's responses to the current "fundamental challenges to western civilization" (Emery 1985:27).

In his assessment of the role of social science in responding to "global transformation," Dr Soedjatmoko, rector of the United Nations University, mirrors this conclusion. In defining potentially relevant directions for the social sciences in response to the issue; he reconstructs many of the basic principles and contentions of organizational-change field (Soedjatmoko 1984), including the need:

- to learn to manage complex interactive systems
- to develop methodologies to deal with multi-dimensional issues and to encourage communication among competing ideologies
- to develop the use of action research in encouraging interaction between observers and the observed and for research identification with the grass roots
- to focus on the generation of a new learning capacity of society. But, nowhere in his statement does this author refer to the accumulated work of the organizational-change field.

This style of problem framing already represents the emerging common sense of the time; it may soon become the conventional wisdom.

This paper reflects on this dilemma by examining the continuing relevance of the principles developed in the field and the extent to which their application may contribute to the development of societal strategies to enable institutional change. Action learning, as a newly framed approach, is selected for consideration as a basis for linking organizational-change work with the global perspective.

The Continuing Principles of Organizational Change

It is not the objective of this paper to carry out a detailed overview of the evolution of the organizational-change field; there are a number of existing discussions of its evolution (for example,

Bennis et al. 1969; Burrell and Morgan 1969; Morgan 1986; Trist 1981; Weisbord 1987), and more are promised (Trist and Murray forthcoming). The paper re-examines some of the key organizing and design principles on which the continuing applicability of organizational-change theory is based, and assesses their potential for providing assistance to the analysts and practitioners engaged in the current efforts of societal organizations to foresee, to influence, and to adapt to their uncertain and changing environments.

The claim for a clear and separate role for the organizational-change approach, quite separate from the dominant scientific-management mainstream, can be made most directly in relation to a basic organizational-systems distinction that focuses on the design concept of "redundancy" - the built-in excess resource capacity on which organizations draw in order to adapt to unexpected change. Two generic management strategies associated with the creation of this adaptive capacity have been identified; they are known as "redundancy of parts" and "redundancy of functions." They distinguish between fundamentally different organizational ideologies and associated social-design principles, and express the progressive character of the organizational-change field by associating it with the redundancy-of-functions alternative (Emery 1967; Emery and Trist 1973; see also papers in this volume by Morgan and Ramirez).

Redundancy of parts (design principle one) describes the tendency towards organizational change through the application of social-control mechanisms utilizing a high degree of specialization, hierarchical command structures, and standardized practice. In other words, it reflects the view of the organization as a machine (Morgan 1986) in which the human parts (employees, participants, members) are treated virtually as if they were mechanical parts. Redundancy of parts represents the predominant application of scientific-management models that tend to reinforce the image of organizations as effectively closed systems, operating independently and interacting with their environment as though it were an extension of themselves - to be organized and controlled as a function of their own objectives.

While this shorthand description trivialized the complexity of the internal and external control systems inherent in design principle one, it does provide insight into a primary problem associated with such a model: The difficulty of dealing with interdependent, uncertain, and rapidly changing conditions that demand flexibility, adaptability, and a capacity for creatively and innovation. The fact that this design perspective acts as a general social-systems principle has effects that go far beyond its application to individual organizations. It provides the basic model for our dominant institutional structures (government, religion, education, health, business) and therefore underlies the fundamental problem these structures have of adjusting organizations to the unstable global context that they face.

Redundancy of functions (design principle two) provides the overall framework that has informed the organizational-change approaches discussed in this volume. It emphasizes the commitment of the potential capacity available for change to the ability of the operating parts in an organization (in this context, the people) to perform a range of functions. In particular, it emphasizes the creation of shared values and mutual support, continuing learning, variety in operating methods, and a self-controlling management style. Such principles will tend to apply an organic metaphor of the organization and to establish an open-systems perspective emphasizing interactive organization/environment relationships. Although such a summary is based on an idealized alternative to design principle one, it also sets up a framework for adaptive-learning organizations inherently better suited to existing unstable environments.

In societal terms, the application of this principle tends to be limited to elite groups - especially those located in the knowledge-development sectors (research, management, planning, design). It is also more prevalent (but not universally) in voluntary and community-based organizations and in social-change and informal-sector settings. The impact of design principle two in terms of creativity and innovation is, therefore, profound; but such advances are frequently set in wider organizational systems dominated by design-one (hierarchic and bureaucratic) assumptions. The result is a continuing massive waste of human resources and a crippling limitation on institutional-change capacities. The contradictions implied by the application of modern communications technologies (which are designed to give immediate and direct boundary-crossing access to information) within strictly hierarchical

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organizations provide a typical current example of this redundancy-of-parts-and functions distinction.

The search for a means to create situations inside organizations in which the redundancy-of-functions design principle can be applied underlies much of the organizational-change activity (theoretical, methodological, and applied) that has taken place since the initial work of Lewin, Trist, and the other pioneers. In particular, the primary values and assumptions that are implicit in much of the work were put in place in the late 1940s under the shadow of the events of the Second World War. It is particularly important to recognize this fact, because so much of the work appears to be based on a pragmatist approach to problem, process, and method. Apparently, without any other explicit philosophical base, the approach can easily be accused of applying a form of eclectic relativism: "the art of the possible."

In fact, the implicit philosophical values underlying organizational change can be broadly defined as egalitarian and humanist, with its political ideology built around the notions of participatory democracy. These perspectives were applied directly to the original objectives of providing open access among members of an organization to cooperative problem-solving processes through group-learning activity. Trist referred to the approach as being based on "a theory of collaborative relationships" (Emery and Trist 1973:104). Small-group activity ("group dynamics") became the primary method within organizational-change work, a conscious attempt to offset the impact of organizational size and hierarchical structure through the strategy of bringing people together and encouraging them to view their common concerns from the variety of their personal perceptions and value perspectives. If one adds strong support for the role of experiential and self-directed learning ("learning how to learn") within organizations, then the implications of these approaches for organizational structure, policies, and procedures become clea.er. While at present, significant human resource potential is not available to the modern organization, it could be utilized for the good of organization and individual by involving people at all levels in addressing and implementing change. Lewin stated the objective directly: "We are likely to modify our own behavior when we participate in problem analysis and solution and are likely to carry out the decisions we have helped to make" (quoted in Weisbord 1987:88).

These conclusions can easily appear as idealized abstractions when viewed separately from the settings in which they were originated and applied. It was another Lewin maxim that it was possible to address a problem at the same time as the process was being studied, with the intention of amending the theory and practice of change. The methodology for carrying out this intention was action research - a collaborative consultation process between outside researcher acting as facilitator and catalyst, and inside stakeholders engaged in addressing an issue of immediate significance to themselves. The evolution of this work is, therefore, directly associated with the character of the settings in which the common themes were applied, and on the way in which action-research models were adapted for use: on the shop floor, in management suites, at group therapy sessions, at the coal face, in labour/management committees, or in temporary multi-interest events (such as search conferences). These variations, together with the social. psychological, and psychoanalytic clinical practices that acted as the guidelines for the originators of the approach, have led to significant theoretical and practical distinctions in the field. Among these has been the movement towards addressing the current societal concern with institutional change in relation to global problems discussed earlier.

In broad terms, the emergence of separate branches of the organizational-change work could initially be described in terms of a transatlantic distinction. In North America, Lewin's work was applied predominantly in relation to the improvement of group relations within organizations. The approach is well illustrated by Lewin's collaboration with Douglas McGregor at the Research Center for Group Dynamics at MIT in 1946 and the subsequent formation of the National Training Laboratories (NTL) focusing on "basic skills training" and using the now famous T-group techniques.

In Britain, work at the Tavistock Institute of Human Relations spear-headed the organizational-change field in the immediate post-war period. Eric Trist and his colleagues Bridger and Wilson, all with backgrounds in social psychiatry and psychoanalysis, came together to build on their wartime experience in "field psychiatry" (Trist 1981). A critical aspect of these experiences seems to have

been the need, in wartime settings, to confront unpredictable crises that shook the foundations of existing institutions and could not be addressed without the active participation of all members of the associated organizations. In Trist's works, they needed to be encouraged to collaborate in order "to help them solve their own problems." As with the Lewin group, the basic element of this process was the small face-to-face group; but in contrast with the American work, the Tavistock group emphasized the "professional" rather than "clinical" relationship with clients in the development of an action-research methodology.

The objective of the Tavistock professional model was to escape from the constraints of the experimenter/subject relationship that underlies so much social-science research. The question the Tavistock researchers addressed was: How can we uncover the kind of fundamental data that can be gained from people and their organizations in "natural" settings without creating the barrier to access that accompainies the labelling of such participants as "subjects"? Stated in these terms, the likelihood that particpants will be subject to manipulations by researchers through the development of a more powerful particpant-observation technique seems strong, especially in the light of modern sensibilites. However, from the beginning, an attempt was made to offset these manipulating tendencies through an emphasis on the creation of shared learning processes focusing on the problems defined by the individuals, interest groups, communities, and organizations themselves - the long-term stakeholders in the problem settings. The purpose of these interventions was explicitly "to release processes of social and organizational learning which permit innovations to be accepted and adaptive changes to take place" (Emery and Trist 1973:104).

These developments were critical in the evolution of an approach to institution building that was to follow. In particular, they challenge directly traditional management and research styles applied to the modern organization. The catalyst for change becomes a quite different figure from the traditional management consultant working closely within the command and control structure of the organization. Concepts applied in the field, such as the idea of "leaderless groups" (Bion 1961), "process consultation" (Schein 1969), and "shared appreciation" (Vickers 1965) have all pointed towards a methodology focusing on the facilitation of participatory and collaborative activities that engage a range of organizational participants in generating change as a cooperative, self-learning venture.

As already suggested, it has been the application of perspectives of design principle two through the action-research model that distinguished the Tavistock organizational-change efforts and the work of those researchers and practioners that followed its lead. Trist himself has traced the development of the linkages between the theoretical advances and their application to work organization (Trist 1981). Studies at the boundaries between labour, management, and government set in the context of technological change provided the ideal setting in which redundancy of functions could be tested and applied. The quality-of-working-life movement as an international organizational-change strategy is the direct outcome of these connections. Such concepts as autonomous work activity and its practice through the development of self-managing work groups, organizational democracy and increased autonomy for front-line workers, and the many other expressions of the integrated, holistic approach to managing change within organizations are all the outcome of this work (Trist 1981).

A Macro-Systems View of Organizational Change

This paper is less concerned with that intraorganizational expression of organization-change theory (discussed more fully elsewhere in this volume - see Cunningham and White) than with the way in which the underlying concepts were, at the same time, being applied to a contextual exploration of the nature of the systems of organizations that could be identified in relation to global change. I have already suggested that the relevance of the body of organizational-change work in an era increasingly dominated by highly uncertain general conditions has been asked on its pervasive environmental perspective. This perspective introduced a capacity to view social organization structures, events, processes, policies, ideas, and behaviours as part of their total surroundings - social, political,

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economic, psychological, spatial-geographical, natural, historical. In this sense, organizations can be seen as frameworks for understanding and intervening in human environments in general. They mirror society as a systemic whole, sharing its interrelated and interdependent characteristics. The implication of such an environmental perspective is that no organizational intervention can be separated from the influence of these wider contextual forces.

The significance of this view of organization as environment is reflected in another important theme underlying the development of the body of work generated by organizational-change theory discussed here: the identification of the turbulent environmental field as a pervasive contextual (i.e. global) condition. In their seminal paper, Fred Emery and Eric Trist developed a typology of environmental types reflecting the implications of increasing rates of change, interdependency of issues, density of organizational systems, and unpredictability of events. The culmination of the increased levels of complexity associated with these combined criteria is referred to as a state of environmental "turbulence" (Emery and Trist 1965). A series of later publications has extended this notion through the recognition of the tendencies towards increasing entropy (apparent randomness of events), more "richly joined" environments, increasing mutual causality amount issues, increasing variety of experience, and a sense of the dislocation of what, in hindsight, appeared to constitute a previous "stable state" (Ackoff 1974; Ashby 1970; Emery and Trist 1973; Schon 1973; and Trist 1980)

The relevance to the present discussion of this well-known and influential sequence of work is that, over twenty years ago, it demonstrated the realization that organizations and their environments are in an interdependent and open system relationship and are dominated by interconnected "systems of problems" that challenge existing organizational responses and can only be addressed through the medium of interacting "systems of organizations." In the meantime, quite independently of this work, "turbulence" has become one of the most widely used and accepted metaphors of our times. But, other than in numbers of small-scale, locally based, and largely disconnected action-research exercises, there has been little direct follow-up of the turbulence hypothesis and its implications for large-scale institutional change processes (Dror 1986; Morley et al. 1980; Morley 1981; Morley and Shachar 1986; Ramirez 1983; Trist 1980; Williams 1982).

However, the theoretical and conceptual implications of the proposition that collaborative action within multi-organizational systems is a necessary response to turbulent environments have been more extensively developed, particularly by Eric Trist and those working with him (Bach and Morley 1987; Chevalier 1968; Chevalier and Taylor 1984; Keidel and Trist 1980; Morley 1983; Perlmutter and Trist 1986; Trist 1983, 1985). This work provides a direct link with the critical current dilemma referred to earlier: how to create institutional capacities to address the global problematic. In fact, Trist had recognized the importance of this issue over ten years earlier in his development of an alternative ecological principle of organizational adaptation and change that was entirely consistent with the emergence of the contextual uncertainty associated with turbulence. This was a typical product of the "open-systems" thinking that characterized the work of the Tavistock Institute in the post-war period. The approach was based on the recognition that the widespread and significant social and organizational changes that were a reflection of turbulence demanded "a new unit of analysis" (Trist 1976:163) involving a "field of action" that incorporated the wider contextual environment and was multi-organizational. Together with associated boundary-crossing concepts - such as the need to deal with issues in socio-technical terms and to adopt a negotiated order based on collaboration rather than competition in turbulent settings - this ecological perspective consolidated previous work around what Trist termed "organizational ecology," where the organizational field, not the individual organization, becomes the object of inquiry (Trist 1976). From the perspective of this paper, the most important implication of an ecological view of the organizational field is its potential for creating a bridge between the basic traditions of organizational-change theory and their application to organizations searching for new frameworks for action in the context of turbulent global settings.

In publications throughout the 1970s, Trist developed and illustrated the implications of extending organizational-change work from an open-systems view of the internal and transactional relations of the single organization to a macro-systems view of transactional and contextual relations

within multi-organizational fields (Emery and Trist 1973; Trist 1979). It was the recognition of the increasing levels of uncertainty associated with contextual turbulence, which was outside the control of even the largest and most powerful bodies, that fuelled this critical work. In a typically creative sequence of thinking, Trist integrated the emerging insights of the time by reflecting on the way in which the basic interorganizational model of the status quo - the centre/periphery model - was being irrevocably undermined by turbulence. He pointed out that further concentration of scarce resources on attempts to maintain the power of the centre was dysfunctional, and concluded that "an interdependent set of organizational entities ...in order to survive, must learn in some mutually acceptable way to share the limited resources of a common environment" (Trist 1985:167).

The Potential of Multi-Organizational Domains

The search of organizational systems that were suited to an era of "societal transition" provided a useful basis for distinguishing the various dimensions of the organizational-change approach: critical (of the status quo); idealist (regarding societal transformation); and pragmatic (relating to a continuing era of transition) (Perlmutter and Trist 1986). However, it was Trist's conception of ecological frameworks that extended action research into multi-organizational settings (which consistently reflect conditions of institutional dysfunction, social fragmentation, and intense competition) that are of direct relevance to the development of practical responses to the newly perceived need to address global issues.

Perhaps the best illustration of a macro-system approach to organizational change is Trist's conception of "inter-organizational domains" as settings in which the range of social organizations with interest in particular complex (interconnected) societal problems are encouraged to work together in an attempt to match the scale and complexity of the issues with their collective responses (Emery and Trist 1973; Trist 1979). Amid such multi-organizational fields, Trist conceived of the need for development mediating or "referent" organizations that could act in a representative manner to provide guidance and leadership for a set of participating interests (Trist 1979).

In extending the range to action-research methods to deal with the complexity of the domain-like systems of organizations, Trist chose field settings at the community scale of activity. This choice directly reflected his doubts about the capacity of central organizations to respond to the pressures of turbulent environments without the corresponding involvement of the periphery. The application of his ecological frameworks depended on such centre/periphery partnerships. It was, therefore, in community-based settings that Trist sought the illustrations of domain action; these were, for Eric, his "directions of hope." Trist used such examples as the success of the Jamestown labour/management collaboration in sustaining an employment base amid regional de-industrialization in upstate New York and the use of a local arts festival to generate community organization in Craigmillar, Scotland. In applying the example of Sudbury 2001, he drew on the attempts of a threatened single-industry settlement to generate future-oriented development projects through a community-based process that involved employers, local and provincial governments, trade unions, academics, and the community members themselves.

Trist saw these cases as microcosms of the kinds of critical societal issues that challenge social organizations in a turbulent era. They were local versions of the common story in which existing central organizations are unable to alleviate the problems of peripheral communities, but where collaboration among the key local interest groups created an "alternative power system" that was complementary to existing authority and able to work with it to the benefit of the community (Trist 1979).

Clearly, this application of the methodology of organizational change to macro-systems (domains) was breaking new ground in a number of ways. First, it reflected an attempt to establish a style of managing in turbulent settings from an integrated perspective, one that accepted Ashby's (1970) principle of "requisite variety" - matching the complexity of richly joined and uncertain environments with a more complex, interacting set of social organizations. Second, it sought to define a "middle ground" focused on the critical boundaries or unresolvable elements that lie at the cores of

the systems of problems that dominate contextual environments at all levels, from local to global (Chevalier and Taylor 1984). Such settings demonstrate the initiation of domain action through the use of participatory networking activities, search conferences, and referent organizations that would constitute the first steps in the kind of institution building necessary to reframe and respond to the "unaddressable" issues that surround us. Third, as the earlier reference to redistribution of power implied, this work (in common with most participatory action research) is explicitly concerned with empowerment of marginalized social groups, communities, ethnic groups, generational and gender-based groups, and "minorities" of all kinds.

In opening up these distinctions, this work has provided an opportunity for organizational-change work to be oriented towards the addressing of meta-problems from a macro-systems perspective, but at the same time providing a means of initiating these responses at both local and wider institutional levels. The minimum critical requirement necessary for such activity to take place is, of course, both very demanding and contradictory to much individual organizational behaviour. In particular, it demands that individual participants in a domain process are prepared to forgo a measure of their existing authority and autonomy in return for possible advances of the collective interest of all. Although an acceptance of this trade-off can be quite easily imagined among marginalized interests in a community-based domain setting of the kind referred to above, it appears much less likely where powerful central institutions, which have much more to lose, are involved.

From the beginning, it was suggested that the multi-organizational domain approach, and the action-research techniques associated with it, could be applied to meta-problem settings that involve a wide range of organizations, jurisdictions, communities, special interest, and popular networks. the nature of this application is demonstrated by the four classes of meta-problems that Trist characterized as requiring the application of domain-based action research in order to initiate the institution building necessary to encourage existing organizations and interests to work together to address the shared issues that constitute the problem (Emery and Trist 1973:94-5). Despite the passing of nearly two decades, these problems, with minor adjustments, remain high on any list of present-day global agendas:

- conserving the resources of the biological and physical environments - especially in relation to environmental degradation resulting from human actions: acid rain, Great Lakes water quality, prairie soils, the "greenhouse effect," deforestation, and desertification
- technological change - deindustrialization and regional decline, technical innovation, research and development, education and training in relations to technological change, trade protection and competition implications of technological change, new technology and the workplace
- equity, empowerment, and the quality of like in society
- unemployment, welfare, human services, disadvantaged minorities, women, the elderly, homelessness
- global issues affecting transnational institutions
- North/South relations and international aid, international trade, peace and defence, global environments, health, refugees.

The potential that lay behind the "mapping" and activation of domains that were built around the manifestation of such problems was, therefore, recognized with the organizational-change literature twenty years ago as a critical objective of action research to be carried out: (1) in multi-organizational rather than individual organizational settings; (2) at a policy/programmatic rather than project level; (3) in response to interdependent systems of problems rather than reduced to specific functional elements; and (4) in the context of global (historical) issues rather than those defined in short-term dimensions at the local level.

It is interesting to reflect on Trist's expectations of these conceptual developments in the early 1970s. At that time, he was interpreting future societal and organizational developments in the light of the post-industrial hypothesis and its associated transformationist assumptions. The emphasis was on "paradigm shift," the elements of which include widely recognized characteristics of the current setting, e.g. the growth of the personal-services sector, the emergence of internationally centred

private enterprises, permanent unemployment for the disadvantaged (Emery and Trist 1973:156-71). However, the overall insight that irreversible and accelerating change would demand ecological organizational responses leading towards interorganizational clusters, organic organizational forms, collaborative relations, linked objectives, and a negotiated order has clearly not been implemented. The necessary elements for the new paradigm's successful implementation were long-range collaborative relationships between private-sector organizations, the participation of trade unions, independent research funding, international comparative studies, and other interactive institutional arrangements to back the research (ibid., 116-17). None have been fully achieved; they remain the subject of domain-based research programs.

Trist recognized that these demands were unlikely to be met, although the wartime Civil Resettlement Units that he had been involved with and the Norwegian Industrial Democracy project were cited as examples of the kind of scale and support necessary to establish domain research. He suspected that this work would be more achievable in smaller, homogeneous societies with existing and closely interconnected networks that might more easily be transformed into active domain processes. In larger, more heterogeneous countries, "many part-processes may begin ... but few are likely to attain 'critical mass'" (Emery and Trist 1973:117-19) and so it has been!

Action Learning as a Framework for Domain Action

While the domain approach had the conceptual strength to carry a significant extension of the macro-system branch of the organizational-change field, it demanded a major development in action-research methods that had originally been designed for application within the internal environments of large organizations. This extension of action research took place in direct response to the demands of domain-based work in various project settings. It gained particularly from the inputs of the project participants themselves as they became involved, as part of project process, in adapting the methods to their own needs. The conceptual framework that supported this extension of action research activity into domain settings was referred to as "action learning".

The discussion that follows is based on the experience gained in a continuing series of domain-based projects that were carried out by teams associated with the Faculty of Environmental Studies at York University, Toronto, since the early 1980s. Eric Trist, as a member of the faculty from 1979 to 1985, was an active participant in much of this work and has played a leading role in the identification of the need for the action-learning integration and in its application in domain-based project settings.

Action learning was conceived as an integration of the traditional concepts methods and applications that have been applied in the organizational-change field since the 1940s. In many senses, the basic idea of action learning has been present throughout the forty-year period, under the guise of social learning and experiential learning perspectives. However, the need for the explicit recognition of action learning was generated by the necessity of stating in simple and common-sense terms the implications of the individual and collective learning process that occurs when participants drawn from the range of interest groups involved in active organizational change settings and as partners in that process. Action learning, as it is applied here, is normally associated with cooperative change strategies; it is a conscious outcome of shared experience, information, and intelligence that is available to inform and aid such activity.

Like the open-systems organizational perspective from which it derives, action learning is open to inputs from all levels of the environments that are associated with the activity - internal, transactional, and contextual. In this respect, the recognition of the need to reinforce the experiential "learning-by-doing" framework that underlies work in the organizational-change field from Lewin on came directly from experience in developing a domain-based setting for action research. The activation of multi-organizational exchange around the threatening issues associated with meta-problems demanded a constant "search" for a shared appreciation on which to base continuing collaboration and for a means of building on the outcomes of this process. Action learning, then, was the term used by action researchers working together in the early 1980s at York University to describe this form of a

ERIC

self-directed, co-learning process carried out in real-time settings by long-term stakeholders and applied to concerns that were frequently related to persistent and complex problems.

The Origins of Action Learning

The term "action learning" is not a new one. It has already been applied in the organizational context to the process of management education since the 1960s (Revans 1982). For Reginald Revans, action learning centred on the idea that "learning stems from reasonable experience, and is reinforced when that experience is shared with others ... learning is ... enhanced by the coming together of people in the same boat to work on live problems of common concern" (ibid.,7). The emphasis of Revans and others who have worked with him was, however, focused mainly on the application of action learning to the training of business managers operating with the internal environments of their organizations (see also MacNamara and Weeks 1982; MacNulty 1979).

As it is applied here, the nature of the learning process itself and the way in which it is initiated and sustained is central to action learning. In this respect, action learning, like other popular based, participatory activities, takes the form of an "educational project" in which participants undergo both a subjective and a collective transformation in their level of consciousness. As such, action learning involves an implicit padagogical style that lies at the heart of its distinctiveness. Used in this context, "pedagogy" refers to the interactive rols of both insiders and outsiders as agents of learning. The main precident for this wider use of the term is found in the work of Paulo Freire and particularly in his conception of a "pedagogy of the oppressed," which is based on education through the "critical intervention of the people in reality through the praxis [reflection and action in order to transform a setting] ... a pedagogy that must be forged with, nor for, the oppressed to regain their humanity" (Freire 1970:33-7).

In Freire's terms, action learning becomes an education project and an element of a new pedagogy. As such, it also establishes links with the 1930's notion of "progressive education" and Dewey's distinction of education as "new development from within" rather than "formation from without" (Dewey with the later definition of "self-directed learning" (Knowles 1975). There are also echoes of the educational-reform statements of the 1960s (Ilich 1970; Toffler 1974). Toffler refers directly to "action learning [that should] ... become the dominant form of learning ... under conditions of high novelty between community and the classroom, faster and more frequently than ever before" (Toffler 1974:14). Such calls for educational transformation have continued, and work on the idea of a "critical pedagogy" makes further connections between the action-learning approach and progressive educational thought. The notion of critical pedagogy - "empowerment of subordinate groups through shared understanding of the social construction of reality" (Livingstone et al. 1987:8) - links back to Freire and the development of new clutural paradigms.

A final theoretical connection brings action learning back to the work of a leading practitioner in the organizational-change area. Fred Emery's major analysis of established and emerging educational paradigms focuses on the development of a "new learning paradigm" in which the human perceptual system is viewed as the central resource for detecting the informational structure of the environment - one that has evolved to cope with a heterogeneous and discontinuous world (Emery 1980). The idea that people are equipped to generate information for themsleves, and that advances in knowledge and intelligence relating to their environment are available and accessible to the entire community, remains a radical notion. Within such a learning paradigm, Emery defines the nature of the teacher's role as orienting the learner towards problems, encouraging searching in a wider context and time span, and emphasizing discovery and the generation of information from perceptual work: learning to learn, and "unlearning". The teacher acts basically as a catalyst and facilitator of learning; this is precisely the role assigned to the action-research practitioner working within domain settings.

From Action Research to Action Learning

As applied in relation to the development of multi-organizational domains, action learning

ERIC

becomes a critical aspect of the process of drawing together a range of interest groups to learn "with and from each other" in settings beyond traditional organizational boundaries. It is an essential aspect of the search for common ground on which any collective action in such settings must be based. This aspect is also at the core of the application of action learning to the addressing of global issues, which are also located in an as-yet-unidentified meta-middle ground that lies outside the jurisdiction and control of any single organization, agency, or nation.

Although the concept of action learning, as it was originally developed by members of the York Action Learning Group in the early 1980s, was seen as a general framework applicable in a wide range of organizational settings, its conscious application as part of the organizational-change field was largely associated with domain-based action research. It was a means of explaining why "learning" was the key metaphor for the development of organizational strategies within the domain field. It also became a basis for integrating the complex of past and evolving prespectives on organizational change within settings of uncertainty, and therefore was seen to be useful in all associated settings, from small local networks to large corporate bodies (Ramirez 1983; Morley and Ramirez 1983; Morgan and Ramirez 1984; Gilmore et al. 1986; Bach and Morley 1987).

Because action learning can be regarded as a natural extension of action research, comparisons between the two are useful. The basic characteristic common to both is the focus on collaboration between the "outsider" (researcher, consultant, scientist, facilitator, advocate, etc.) and the "insider" (participant, stakeholder, practitioner). A critical difference between action research and action learning in relation to insider/outsider relations is reflected in their titles. In applications of action research, the distinction between the output of the insiders (action) and that of the outsiders (research) remains clear and strong. The goals of social science and the professional responsibility of the researcher are important and must be addressed. In action-learning settings, the output is an integrated one - mutual learning on the part of insiders and outsiders. It is fundamentally described in the terms of the organization of the everyday life of the insiders - that is, in relation to concerns, issues, problems that are framed in terms relevant and understandable to local participants (whether they are peasants, unionists, residents, local administrators, business people, technicians, national politicians, planners, members of minority groups, or any other actors drawn into the process).

In action research, the expertise of the outsider remains as the critical determining force. In action learning, there is an explicit recognition of the distinctive and different experiences, knowledge, and skills that are processed by insiders and outsiders. The collaboration (or dialect [Lockhart 1982]) between the two kinds of resources involves a sharing of these contrasting qualities with the aim of subsequently generating co-teaching and learning between and among the participants from each group. Two important outcomes of this cooperative relationship between researcher and the researched particularly reflected in action-learning processes are: (1) the likelihood of a continuing association between those facilitating action-learning activities and those participating in the process; and (2) the tendency towards a significant psychological involvement in the process on the part of insiders and outsiders.

The following differences between action research and action learning are implied by the preceding discussion:

Action research tends to:	Action learning tends to:
-focus on the internal environments of single organizations	- focus on the common transactional and contextual environments associated with the set of organizations drawn together around domain issues
- involve actors in roles defined by the organizations of which they are members	- involve a range of stakeholders representing the organizations, groups and communities that make up the set of domain interests

- be goal-oriented, involving step-like processes towards achieving agreed objectives

- involve the establishing of continuing, adaptive learning processes that are self-organized by the participants

- involve the outside intervenor as a process expert, analyst, consultant, or trainer

- involve the outside intervenor as a learning catalyst, facilitator, learner, and change agent

- be closely linked with social-science field practice and to emphasize the outsider's diagnostic process expertise

- blur insider/outsider roles and to emphasize the outcomes of local learning and the sustaining of the change process

- be narrowly defined, situational, and limited by the immediate context

- originate in specific local settings, but encourages the formation of networks among similar settings as a conscious element of the wider field of action

The key to understanding the distinct quality of the action-learning approach to organizational change lies in its focus on the need to create domain settings for collaborative learning as a basis for initiating strategies for change. The central character of action learning has underlined the importance of four dimensions of the activity it has generated: (1) the creation of a neutral, common, or middle-ground space in which the various interests attempting to address a critical issue could work to establish a collaborative approach; (2) the relationship between insider (stakeholder) or outsider (facilitator) actors involved in the process; (3) the use of various forms of the "search" model to initiate action-learning processes; and (4) the significance of boundary identification, management, and crossing (including socio-cultural, organizational, jurisdictional, ideological, disciplinary, and professional boundaries) in order to meet the scale, complexity, and uncertainty associated with the kinds of problems that demand multiple interest and organizational responses.

The Practice of Action Learning

Neither action research nor action learning can be examined separately from their practical application. Throughout the history of this work, the learning context for the outsiders (whether in the guise of researcher, advocate, teacher, or facilitator) has been the project setting. It is in these active participatory situations that the importance of the four basic dimensions of action learning as a catalyst for domain development has been established:

- the concern with inside/outside relations
- the use of the exploratory or search mode
- the identification of critical boundaries
- the definition of neutral middle-ground space.

These four dimensions will be considered briefly as a demonstration of the nature of the practice of action learning and a consideration of its potential as a generic framework for responses to problems at the global scale.

The central importance of insider/outsider relations to action learning has already been established. These relationships are not fixed; they change throughout the evolution of an action-learning process and reflect significant shifts in the role of the outside catalyst. The significance of this dimension demonstrates the project-oriented experience of those who have framed the action-learning idea. In the majority of cases, the outside "researchers" have played an important role in initiating domain building and activation, with the result that their relations with the representatives of local constituencies with whom they have been involved have significantly defined the nature of the

ERIC

project. Of course, because action learning is a generic individual and organizational capacity, learning from action does not need outside assistance in order for it to be initiated. In fact, unless there is some tendency towards collaborative networking in a setting, a domain response to critical issues is unlikely to occur, even with external assistance.

Figure 1 provides a simple framework for identifying basic roles and shifting associations among insiders and outsiders. The two-dimensional classification can also be used to map the patterning of relationships during the evolution of an action-learning process. The two axes distinguish between "cultural and value orientation (referring to the degree of local rootedness and the permanent association of insiders to the setting) and "perspectives on issues" (which refer to locally based viewpoints of the issue under consideration as distinct from perspectives that reflect wider technical, analytic, ideological, or other "imported" views). Set together, these distinctions produce four broad associations of inside/outside characteristics that are used to characterize involvement in a project.

The three action research/action learning (AR/AL) stages diagrammed below the main matrix are intended to show the likely sequence of domain-building activity. For example, the initial domain definition stage involves: (1) the establishing of connections between the newly arrived outside/outsiders and the local organizers of planned change, who are frequently trained and directed from an external perspective (hence outside/insiders); (2) the attempt by the external action researchers to absorb local perspectives and to put themselves in a supportive role to local actors (hence inside/outsiders) by acting as facilitators of processes related to the project; (3) the main project-design activity, including decisions to focus on particular problems affecting the setting, is carried out between the outside facilitators and local planning and participator groups; and (4) the main body of local stakeholders (inside/insiders) is drawn into the process through the development of a project advisory group that represents the range of interests and establishes the likely form of the emerging domain groups. The objective is that this initiating process be extended through the sequence defined in figure 1.

Such a sequence is obviously a simplified version of events, but it describes the broad outline of circumstances that have been experienced in a large number of domain-oriented action-research/learning projects in which I have been involved. These have included project activity focusing on energy futures in a Caribbean island (Morley 1983), food futures for Mexico (Morley and Ramirez 1983), (See also papers in this volume by Peter Homenuck and Suzanne Jackson.) Other problem settings in which action learning has been used in this way include the development of multi-government-agency environmental strategies, the impact of microcomputers on development in small developing nations, the extension of the recycling option for metropolitan waste management, the development of regional coalitions to focus on Great Lakes water quality, and the management of cooperative organizations as elements of rural development.

In each of these cases, the objective has been to go beyond the domain definition stage of the project to domain activation and maintenance. These steps involve significant changing of roles for the outsiders and the gradual take-over of the process by the insider actors. Central to the use of action learning in the activation of multi-interest and multi-organizational domain consideration of relevant local problems has been the application of search-style methods. These emphasize the use of events of various kinds (round-table meetings, search conferences, seminars, training sessions) to involve participants from a wide variety of interests and backgrounds (i.e. from the organizations, interest groups, agencies, communities, networks, etc. that are involved in responding to the wider problem under consideration). The search approach aims at encouraging the collective reframing of problems by these local human resources and establishing of the key issues and tasks that need to be addressed, including the definition of the need for external resources.

Search conferences have played a particularly important role in activating domain action. Originating from Tavistock Institute action-research groups led by Emery and Trist in the early 1960s, search conferences have been carried on extensively in Australia (Emery and Emery 1978; Williams 1979) and, during the 1980s, in Canada and in a number of developing countries. They are specifically designed to provide a setting in which the wide range of constituencies that are affecting complex systems of problems come together to search collectively for areas in which shared action might be

taken if the collaborative contacts initiated at the conference were to continue among the organizations and interests involved. Search conferences are one means of providing temporary learning settings in which the long-term stakeholders, who must live with the effects of collective action, can pool their experience and intelligence, develop a sense of their shared concerns, establish alternative (or possible) futures, and propose ways of achieving them.

However, neither search conferences nor the other forms of generating the collaborative addressing of meta-problems become involved in decision making. They are not intended to generate final plans or solutions or to direct existing institutions to take action. They are concerned with the identification of the critical boundaries of the issues they are addressing; that is, reframing them collectively in ways that focus on the elements that so often hold up the development of effective action steps, and also creating continuing learning networks with links into all the groups affected by the problem when its boundaries are redefined in such a way. These networks constitute the potential domain of interests that is coming together. They form the middle-ground space within which to attempt to: (1) generate a participatory and anticipatory process in which the constituent interests can continue to work together; (2) propose directions for change; (3) establish continuing processes for adaptive learning about changing environments - for example, through the development of referent organizations; and (4) make suggestions regarding the kind of alternative strategies that might be tested for adoption by the existing institutions associated with the problem.

The activation of multi-organizational domains and their maintenance cannot take place without a preparedness by the constuencies involved to utilize such spaces in the search for common grounds of action, and to act on the outcomes. This emphasis on learning as the key to addressing complex and threatening problems suggests another organizational design principle that it is necessary to apply in this kind of contextural problem setting: a redundancy of learning that is released by the redeployment of existing resources, ranging from local to international.

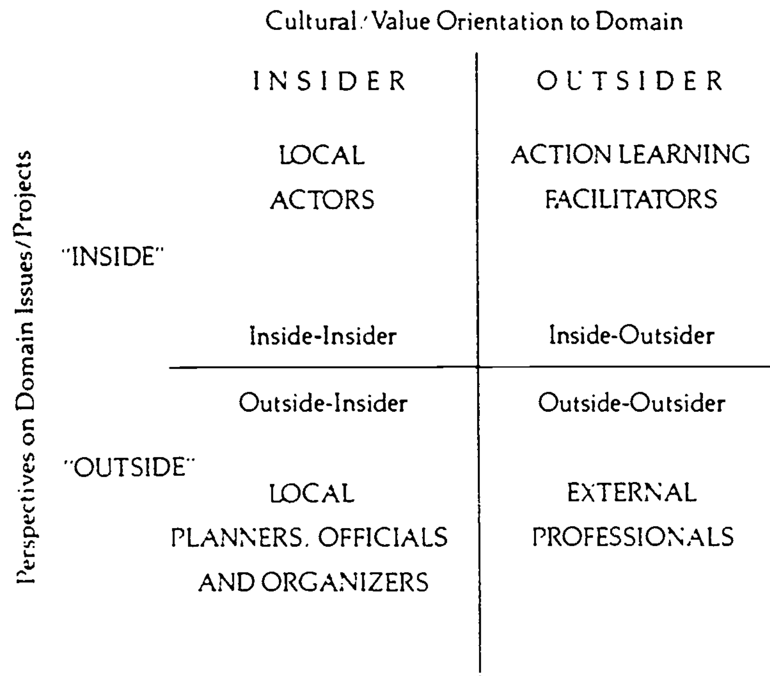
The need for the development of societal capacities to respond to contextural turbulence, and particularly the need to extend the capacity to deal with problems of global dimensions, has been a continuing refrain in this paper. Although many of the approaches to organizational change, outlined in the earlier discussion of the evolution of this field, have direct relevance to this need, the means to extend the scale and provide the "requisite variety" demanded by global issues have not been available. Action learning, as part of the continuing development of the field, provides some guidelines to respond to this critical societal demand.

What is needed now is the opening up of opportunities to extend the application of the approach beyond the local and regional expressions of such issues and into the domains of international organizations and governmental agencies, on which so much of the pressure for responses to global issues is placed. For example, the application of the domain concept at the international level to environmental issues, such as the destruction of tropical rain forests, would emphasize the development of collaborative learning settings involving multinational corporations, relevant national government agencies, local landowners and businesses, scientists, organizations representing indigenous peoples, international aid agencies, and others.

Within a broad action-learning framework, the design of processes to define, activate, and initiate joint action, and to maintain such domains at this scale of complexity would require a major extension of the approaches outlined in this book. However, the principles would still apply. The problems of addressing issues of the world-wide economy and associated questions related to the management of global systems have a distinct organizational dimension - one that is rarely addressed (as the Brundtland quotation noted). Organizational responses to the contextual definition of systems of problems at any scale suffer from lack of frameworks for the collective framing of issues in a form that is addressable, the opportunity to realign interests (and power) through the reframing of problems, and the space to develop shared perspectives and to search for opportunities that challenge the currently dominant constraints on global action.

In the face of the severe economic, political, and cultural constraints on collective action in response to global problems, action-research and action-learning frameworks may seem a puny offering. However, without such a class of organizational-change strategies it is difficult to imagine

that problems of these dimensions can be satisfactorily addressed. The challenge to the current generation of organizational-change practitioners is to demonstrate the strength of their intellectual traditions, and to present them in ways that can contribute towards learning and action in global environments.



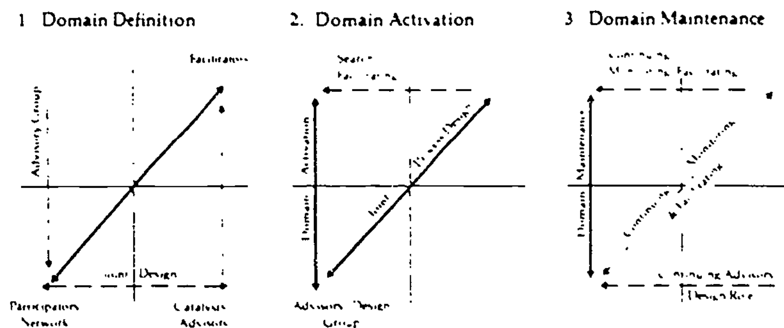


Figure 1: Action research/action learning: The nature of insider/outsider relations

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Robert M. Goodman
Allan B. Steckler

Mobilizing Organizations for Health Enhancement: Theories of Organizational Change

Organizational theory is like an oriental box puzzle. When the key is found and the box is unlocked, another box is revealed within and requires a different key. In the smaller box is another, and another still, each requiring a separate key. Organizational theory, like the box puzzle, can be penetrated on many levels.

Organizations are layered. Their strata range from the surrounding environment at the broadest level, to the overall organizational structure, to the management within, to work groups, to each individual member. Change may be influenced at each of these strata (Tichy and Beckhard, 1982; Harrison, 1987; Kaluzny and Hernandez, 1988), and health education strategies that are directed at several levels simultaneously may be most durable in producing the desired results (McLeroy, Bibeau, Steckler, and Glanz, 1988; Simons Morton, Parcel and O'Hara, 1988). The health professional who understands the ecology of organizations and who can apply appropriate strategies has powerful tools for affecting change.

Because organizations may be influenced at the many levels comprising their ecology, no single theory is sufficient for explaining how and why organizations change. In this chapter we analyze two theories of organizational change: Stage Theory and Organizational Development Theory. These theories were selected for three reasons. First, both suggest specific intervention strategies. Thus, the health educator can translate these theories into prescriptions for action. Second, the strategies that extend from these theories are directed at levels of the organization at which health education may be most influential. Third, the strategies can be used simultaneously, thus creating a synergy in the effects that are produced.

Two cases are presented in this chapter to illustrate how the theories may be used together and at the different organizational strata. Before the cases are presented, the origins and elements of the two theories are described.

Stage Theory of Organizational Change

Stage Theory of organizational change explains how organizations innovate new goals, programs, technologies, and ideas (Kaluzny and Hernandez, 1988). Stage Theory is so named because organizations, as they innovate, are thought to pass through a series of steps or stages. Each stage requires a unique set of strategies if the innovation is to grow and to mature. Strategies that are effective at one stage may be misapplied at the next, thereby disabling the innovation. Therefore, the skillfull application of Stage Theory requires an accurate assessment of an innovation's current stage of development and the selection of strategies that are appropriate for that stage.

History of Stage Theory

Stage Theory emerges from two research traditions. The first extends from the work of Lewin, who developed one of the earliest stage models (Lewin, 1951). Lewin's model, which emphasizes factors resisting change efforts, has three stages: (1) unfreezing past behaviors and attitudes; (2) moving by exposure to new information, attitudes, and theories; and (3) refreezing through processes of reinforcement, confirmation, and support for the change. As is shown in the next section, Lewin's work was also instrumental in defining theories of organizational development.

The second influence on the development of Stage Theory is Diffusion of Innovation Theory. In the 1950s, Diffusion Theory focused on how individuals such as farmers, teachers, and physicians adopted innovations (Rogers, 1983). In the 1960s, innovation theorists realized that individuals often adopt innovations as members of organizations and that such individuals seldom adopt an innovation until it is first accepted by the organization. Rogers (1983) terms this "contingent innovation-decisions" because the adoption and implementation of an innovation by individuals is contingent on organizational adoption. For example, a teacher often cannot use a new curriculum until it is officially adopted by the school district.

As research on diffusion in organizations grew, two types of studies resulted. In the first type, the characteristics of innovative organizations were examined by gathering cross-sectional data from a large sample of organizations. In the second type, which began in the mid 1970s, case studies were used to provide "insights into the nature of the innovation process and the behavior of organizations as they change" (Rogers, 1983, p. 348). These latter studies of diffusion processes in organizations led to the development of Stage Theory.

Zaltman, Duncan, and Holbek (1973) proposed one of the earliest stage models as applied to organizations. It consists of two main stages. During the first stage, initiation, the organization becomes aware of a proposed innovation, forms attitudes toward it, and makes a decision about implementation. The second major stage, implementation, occurs when the organization actually carries out and sustains the change. Since the development of this model, several other models have been formulated for innovations in policy (Berman, 1978), technical programs (Yin, 1979; Scheirer, 1983), health services (Scheirer, 1981; Kaluzny, Warner, Warren, and Zelman, 1982), and community health education (Schiller, Steckler, Dawson, and Patton, 1987).

Modern Stage Theory

A comprehensive, well-defined, and contemporary model of Stage Theory was developed by Beyer and Trice (1978) and consists of seven stages.

1. Sensing of unsatisfied demands on the system. Some part of the system receives information indicating a problem or potential problem with organizational functioning.

2. Search for possible responses. Elements in the system consciously or unconsciously try to find alternative ways of dealing with the issues sensed in the first stage.

3. Evaluation of alternatives. Desired outcomes, probable outcomes of the various alternatives, and costs are compared.

4. Decision to adopt a course of action. An alternative is chosen from among those evaluated. Operative goals and means are specified; that is, a strategy is adopted.

5. Initiation of action within the system. A policy or other directive for implementing the change is formulated. The initial diffusion of information about the change takes place within the system. Resources necessary for implementation are acquired.

6. Implementation of the change. Resources are allocated for implementation. The innovation is carried out. Attitudinal reactions among organizational members occur, and changes in roles occur.

7. Institutionalization of the change. The innovation becomes entrenched in the organization It is part of routine organizational operations. The new goals and values surrounding the innovation become internalized within the organization.

The Beyer and Trice (1978) model provides a finely grained division of stages. For instance, implementation is divided into two stages: initiation and implementation. Initiation implies a preparation's current level of development. The model also includes a maintenance, or institutionalization, stage. This stage, often omitted in other models, indicates that the entrenchment of valued programmes is an important goal.

All models of Stage Theory have certain characteristics in common. First, the stages occur "in sequence or as successive iterations or reiterations" (Kantor, 1983, p. 217). Movement from one stage to the next does not imply an inexorable march but allows the possibility that innovations can move either forward or backward or be abandoned at any point in the process (Beyer and Trice, 1978; Rogers, 1983). Also, each stage has a unique set of actors, variables, and circumstances that propel one stage to the next (Berman, 1978; Scheirer, 1981; Mohr, 1982).

How Stage Theory Operates

How innovations "move" from one stage to the next is still an open question. As Rogers (1983) points out, only a dozen or so investigations of the innovation process in organizations had been completed by the mid 1980s. Most of these studies measure the dynamics within stages, but only a few suggest what mechanisms might lead from one stage to the next (Scheirer, 1981; Huberman and Miles, 1984; Goodman and Steckler, 1987-88). For example, Zaltman, Duncan, and Holbek (1973) found that innovations are more readily initiated when complex organizations have decentralized and have informal mechanisms for decision making. But these same structural characteristics make it difficult for an organization to implement an innovation because implementation often requires strict adherence to rules and procedures. For the innovation to develop, different strategies are selected for the initiation and implementation stages.

In their study of innovations in schools, Huberman and Miles (1984) demonstrate that different actors play leading roles at different innovation stages; Senior-level administrators are important at the problem definition and early adoption stages; midlevel administrators, such as curriculum coordinators and principals, are important actors at the adoption and early implementation stages; teachers are instrumental at the implementation stage; and senior-level administrators once again play a key role in the institutionalization stage. The Huberman and Miles (1984) study suggests that decisions to adopt and to institutionalize are essentially political in nature, and therefore administrators take a leading role. Implementation appears to be a more technical enterprise and involves professional skills such as teaching ability more than administrative and political skills. Thus, health education practitioners might direct strategies at different actors, depending on the innovation stage.

Future Challenges for Stage Theory

Stage Theory holds promise for guiding the practitioner's efforts to nurture health promotion programs, but more precise specification of the number of stages within the model is necessary. Currently, the number of stages varies, depending on which model is employed. As mentioned, the authors prefer Beyer and Trice's (1978) seven-stage model, yet the first case to be presented later in this chapter uses four stages. Better definition of the stages will lead to greater precision of strategies for each stage.

Second, the completeness of stage models has been questioned. To date no models extend beyond institutionalization. Yet evidence indicates that beyond institutionalization is renewal, a stage during which well-established programs evolve to meet changing demands (Goodman and Steckler, 1989s). Additional research is required to extend the stage model through renewal.

Third, those factors known to enable a program's development at each stage should be expanded. The foregoing discussion identifies certain structural characteristics (for example, formalization and centralization of decision making) and different actors within organizations as important at different stages of an innovation's development. As additional factors are identified as

important at each developmental stage, both researchers and practitioners will find a greater array of strategies for enhancing program development.

Organizational Development Theory

Organizational Development (OD) is defined as the application of behavioral sciences to improve organizational effectiveness (Tichy and Beckhard, 1982). OD has the dual goals of improving organizational performance and improving the "quality of work life" (Sashkin and Burke, 1987). These goals are generally accomplished through interventions directed at organizational process and structures and at worker behaviors (Brown and Covey 1987). The interventions are often stimulated by an OD consultant who is engaged by management and who implements a set of strategies to help the organization diagnose, evaluate, and address its perceived concerns.

History of Organizational Development Theory

The theory of Organizational Development is rooted in the "human relations" perspective that emerged in the 1930s. Prior to that time, organizational effectiveness was equated in the 1930s. Prior to that time, organizational effectiveness was equated with structural efficiencies, such as establishing precise lines of authority (Fayol, 1949; Weber, 1964). In the 1920s and 1930s, research known as the Hawthorne studies (Roethlisberger and Dickson, 1939) demonstrated that increasing the attention paid to workers also increases productivity. Therefore, the Hawthorne studies resulted in an expanded view of organizational effectiveness as influenced largely by worker motivation.

Developments in social science in the late 1940s and 1950s provided the theoretical and philosophical basis for management that is worker concerned (Margulis and Adams, 1982). Paramount is Lewin's scientific and humanizing influence on the field of organizational behavior. In emphasizing practical applications, Lewin's "action research" converted organizations into vibrant laboratories for scientific discovery and self-discovery (Argyris, Putnam, and Smith, 1985; Cooperrider and Srivastva, 1987). His model is the basis for action research and the precursor of most contemporary change theories. His view that individual behavior is influenced by the characteristics of the individual coupled with the surrounding environment stimulated others whose writings have defined Organizational Development (Greenberger, Strasser, Lewicki, and Bateman, 1988)

The works of Argyris, MacGregor, and Likert are foremost examples of Lewin's influence (Margulis and Adams, 1982). Argyris (1957) rejected classical bureaucracy, arguing that individual needs must be fulfilled in the contexts of work and organization. MacGregor (1960) also rejected bureaucratic organization, which he termed Theroy X, a set of axioms which holds that managers must exert control if workers are to comply with organizational goals. MacGregor proposed an alternative, Theory Y, which holds that work is natural to human activity and that workers will readily fulfill the management's requirements given a supportive environment. Likert (1961) added that managers serve as "linking pins" among semiautonomous work groups into which the individual worker is integrated.

A Typology of Modern Organizational Development Theory

By the 1960s, the term Organizational Development emerged in the literature and was characterized by interventions aimed at either the organization's design and technologies or its human processes (Sashkin and Burke, 1987). Today, greater emphasis is directed at environmental influences and how the norms and values of entire organizations are transformed (Beer and Walton, 1987; Brown and Covey, 1987; Bartunek and Louis, 1988). In the past several years, increased attention has been devoted also to the development of OD theory (Bullock and Batten, 1985; Porras and Hoffer, 1986; Porras and Robertson, 1987). Porras and Robertson (1987) describe a typology, depicted in Figure 14.1, into which OD theories may be categorized. Porras and Robertson divide OD theory into two main branches, change process theories and implementation theories. These are summarized below.

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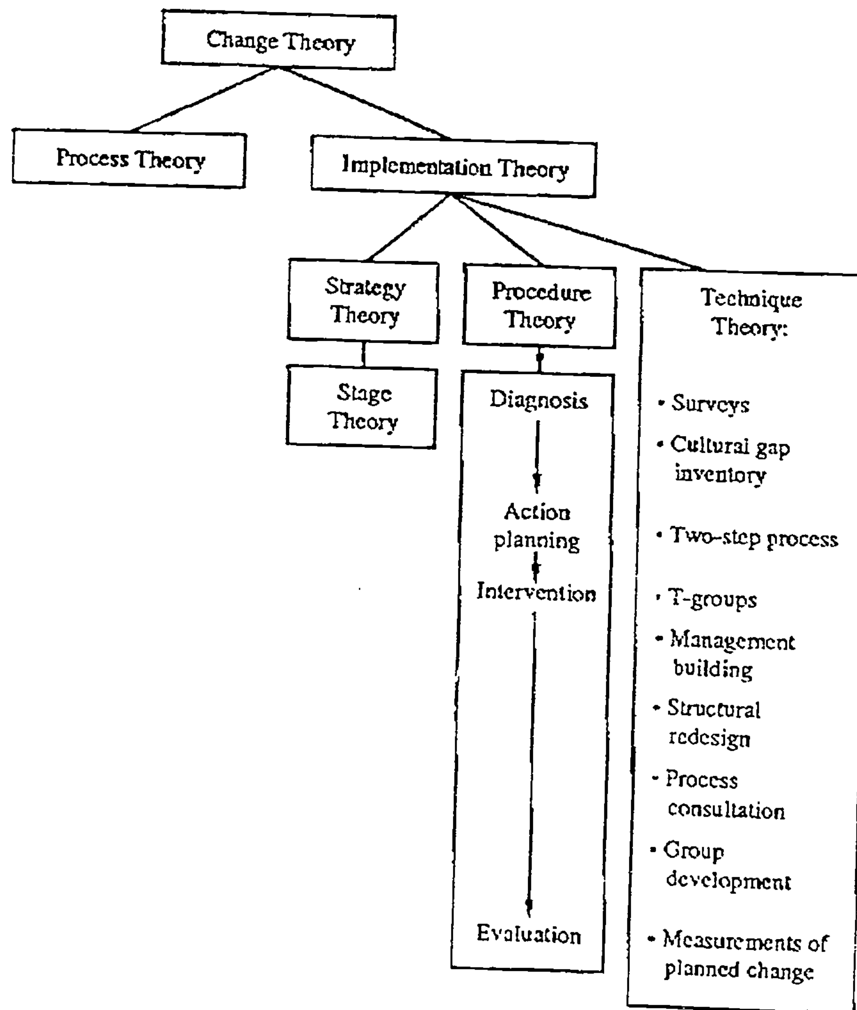
Figure 14.1. Typology of Organizational Change Theory.



Source: Adapted from Porras and Robertson, 1987.

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Change Process Theories. Change process theories specify the underlying dynamics of change. That is, they define the causal relationships among variables that the practitioner may influence, mediator variables or intermediate stages of the change process, and moderator variables or other influences on intended outcomes. Porras and Robertson (1987) note that few such theories exist and those that do have not been integrated into a coherent explanation of the change process.

Implementation Theories. In contrast to change process theories, implementation theories are relatively well defined. They concern the activities that practitioners employ to ensure that change is successful. Implementation theory is actually an umbrella term for three levels of theories: strategy, procedure, and technique. Strategy theories provide broad perspectives for implementing change but generally do not specify guidelines for intervening. Strategy theories describe rather than prescribe. They describe how organizational and other factors may contribute to change but offer few prescriptions for affecting change. Stage Theory is an example of a strategy theory.

Procedure theories identify a sequence of actions for producing change that are missing from strategy theories. Thus, procedure theories are more prescriptive than strategy theories. Action research, which is discussed below, is an example of a procedure theory.

Technique theories are specific to the individual steps within procedure theories. Technique theories consist of a set of activities that practitioners may employ at each step derived from a procedure theorv. These activities enable the change process to move from one step to the next.

An Expanded View of Implementation-Procedure Theory. Porrass and Robertson (1987) analyze the steps common to several prominent implementation-procedure theories. They conclude that the four steps of diagnosis, action planning, intervention, and evaluation are the core in effecting change. These steps, which are described below, are analogous to the model for action research first developed by Lewin (Argyris, Putnam, and Smith, 1985).

Step 1, diagnosis, can be equated with Lewin's unfreezing. Diagnosis aids an organization in identifying problems or gaps that may impede its functioning. The diagnosis is often conducted by an outside consultant who helps the organization identify its most salient problems. The most traditional diagnostic technique is a formal survey of members of the organization (Sommer, 1987). A more recent technique examines cultural gaps between management and work groups in order to reduce such gaps (Kilmann, 1986). Variables commonly studied include environmental factors; the organization's mission, goals, policies, procedures, structures, technologies, and physical setting; social and interpersonal factors; desired outcomes (Porras and Robertson, 1987); and readiness to take action (Weisbord, 1988).

Step 2, in implementation-procedure theory, action planning or the development of strategies or interventions for addressing the diagnosed problems, often follows diagnosis. Porras and Robertson (1987) describe a two-stage process for selecting interventions. In the first stage, several possible interventions are identified on the basis of the gaps or problem areas that have been diagnosed. In the second stage, the number of interventions is narrowed on the basis of three criteria: the organization's readiness to adopt a proposed strategy (for example, sufficiency of resources, time commitment, and administrative support); the availability of "leverage points," that is, where and how to intervene within the organization; and the skill of the OD practitioner in applying the chosen interventions. The two-stage process contains the essential ingredients of action planning: The practitioner and members of the organization assess the feasibility of different strategies for change. By so doing, the partitioner helps to raise the organization's commitment to the chosen course of action.

Step 3 involves OD interventions, and it is on this step in implementation-procedure theory that Lewin is credited with the development of T-groups, originally used to encourage managers to become more aware of their interpersonal style and impact. Other OD interventions include management building (Lippitt, 1961), structural redesign (Galbraith, 1977; Polvnick, 1982), process consultation (Schein, 1969), and group development (Bradford, 1978). In process consultation, the consultant helps members of the organization identify problems, questions, and barriers to a desired change and then works with the organization to address these potential impediments (Schein, 1969; French and

Bell, 1973; Lippitt, Langseth, and Mossop, 1985). The consultant usually does not offer specific solutions but rather facilitates problem solving among members. Face-to-face contact and group interaction are integral to this approach. Process consultation is employed in the first case application described below.

Team building, which is employed in the second case, is a form of group development. Team building often utilizes process consultation to improve communication and coordination among members of a work group.

Step 4, the final step in implementation-procedure theory, is evaluation, which assesses the planned change effort. Several evaluation techniques measure planned change in organizations (Randolph, 1982). An essential feature of evaluation is that the organization takes stock of its progress in moving to a new state and determines whether additional alterations are needed. Evaluation often allows the changes in an organization to settle, or refreeze.

Future Challenges for Organizational Development Theory

Organizational Development can benefit from refinements in both theory and practice. First, change process theories require greater development; they are not yet well defined.

Second, while more developed than change process theories, implementation theories of change require further refinement. To illustrate, Weisbord (1988) questions Lewin's premise that organizations that are stuck can become unfrozen. This challenges one of the basic assumptions upon which implementation theory rests: Under which conditions are implementation theories of change applied to best advantage? Today most organizations dwell in uncertain environments, and implementation theories of change also must account for the effects of such conditions on the change process (Beer and Walton, 1987; Brown and Covey, 1987; Cooperrider and Srivastva, 1987).

Third, several scholars question whether OD interventions are truly effective (Plovnick, 1982; Cooperrider and Srivastva, 1987). To date, most OD research is based on case studies, a few studies have tested OD strategies in randomized controlled trials. Additional research that uses experimental designs is necessary to demonstrate the effectiveness of OD interventions.

Finally, most OD interventions are not specific to the stage of development of the organizations at which they are directed (Bartunek and Louis, 1988). Although the two cases presented in this chapter are quite distinctive, the first being experimental and the second being a case study, they both demonstrate how OD strategies may be tailored to fit an organization's stage of readiness.

Integrating Tobacco-Use Prevention into School Systems

The negative health consequences associated with tobacco use are well recognized (U.S. Department of Health and Human Services, 1986). Since tobacco use often begins early in life, several school curricula for preventing tobacco consumption have been developed and evaluated (Flay, 1985). Despite their availability, such effective curricula reach only a small proportion of young people in the United States.

In 1987, a study was initiated to explore how to improve the dissemination of tobacco-use prevention curricula. Twenty-two randomly selected public school districts throughout one southeastern state agreed to participate in the study. These districts were then randomly assigned to either a treatment or control group. The treatment group received intensive intervention strategies, while the control districts were provided with just enough attention to retain them in the study.

Four-Stage Model

Stage Theory informed the interventions for disseminating the new tobacco prevention curricula into the schools. In the study, a four-stage model was used, and different strategies were deployed at each of the four stages: awareness, adoption, implementation, and institutionalization.

Organizational Development Theory was the basis for the strategies used during the adoption and institutionalization stages.

Awareness Stage. Since senior-level administrators are most influential in decisions to adopt new programs (Huberman and Miles, 1984), the tobacco-use project directed its initial strategies at increasing administrator awareness and concern for tobacco prevention programs. For example, the research team invited administrators and teachers to attend a "Seaside Conference" (Passwater, Trisch, and Slater, 1981). The conference involved a week of well-defined health-related activities that required an intense level of involvement on the part of school personnel. Such activities usually raise attendees' levels of awareness and concern for school health programs (Schaller, 1981; Drolet, 1982). To bolster participation in the tobacco-use study, staff members from the tobacco project also conducted individual awareness meetings with the senior administration of each target school district. Project staff members provided the administrators with a written overview of the project and used this overview to raise the district's level of commitment to the project.

The awareness intervention was evaluated by questionnaires that were administered to conference participants as pretest and posttest measures. Measures included items on demographic characteristics, current role and position in the school district, perceived importance of health as a content area, perceived importance of various components of the comprehensive school health program, attitudes toward tobacco prevention education, and ratings of specific sessions of the conference.

Adoption Stage. Once the decision makers agreed to participate, the research team offered each school district several health curriculum options. So that schools could make an informed selection, process consultation was provided at the adoption stage. The research team conducted a four-hour workshop with each school district in the experimental group. The workshop helped school representatives identify what additional information and decision-making steps were necessary to adopt (or not adopt) one of the available curricula. Since senior - and middle-level administrators often make adoption decisions, participants at each workshop included an assistant superintendent for instruction, a health coordinator, and principals, as well as teachers. Consultation continued through weekly phone calls until an adoption decision was reached.

Evaluation of the adoption intervention included questionnaires that measured participant satisfaction with the process consultation workshop, and five other variables for predicting adoption on the basis of Rogers's (1983) work: the relative advantage of the proposed new curriculum over the old, the new curriculum's technical complexity, its fit with the schools district's current practices, the observability of the curriculum's outcomes, and the ability to implement the curriculum on a trial basis. Case studies of individual districts were also conducted to explore processes that influenced adoption decisions.

Implementation Stage. During implementation, technical aspects of a program are addressed and interventions are directed at those who actually run the program. Effective strategies at the implementation stage include teacher training in the chosen curriculum and guidance and support of teachers after training (Huberman and Miles, 1984; Connell, Turner, and Mason, 1985). The tobacco project hired nationally recognized trainers in school health to conduct curriculum workshops for teachers and health education coordinators. After training, project staff members continued to visit each implementing school system to review the progress made toward implementation. School health coordinators and teachers were also encouraged to use a telephone hot line staffed by the project to address questions concerning any aspect of curriculum implementation.

The implementation workshops were evaluated by a questionnaire of participant satisfaction. The overall implementation intervention was evaluated with two questionnaires. The first was adapted from the work of Hall and Loucks (1977) and measured the degree to which teachers used the new curriculum. The second questionnaire was adapted from the work of Dowling (1982) and measured the degree to which school administrators were satisfied with the implementation of the new

curriculum. Case Studies of selected districts were also conducted to increase understanding of implementation.

Institutionalization Stage. In moving beyond implementation to institutionalization, administrators once again became leading actors. Administrators may champion a program by cultivating active coalitions for the program's continuance (Goodman and Steckler, 1989b). To increase institutionalization in the tobacco curriculum study, process consultation was redeployed. Project staff members aided administrators in identifying barriers to institutionalization and strategies for overcoming such impediments. The research team also added a skill development component to the consultation for building the needed coalitions. Skill development consisted of techniques for recognizing potential supporters of the program, developing incentives to offer to supporters, and inducing supporters to form coalitions for the program's continuation (Goodman and Steckler, 1989b).

The level of institutionalization was assessed by a scale that measured how integrated the new curriculum became with other school district operations (Goodman and Steckler, 1988). As with earlier stages, case studies of selected districts were conducted for the institutionalization stage.

Application of Organizational Change Theories to the Case

Use of a Prospective Experimental Design. The tobacco curriculum dissemination study applied Stage Theory and Organizational Development in several innovative ways. In previous research, strategies informed by these theories have been examined primarily through retrospective case studies. By using an experimental design, the tobacco project had randomized intervention and control school districts. Thus, the effectiveness of the strategies could be compared across two similar groups in which only one received an intervention. The interventions were therefore evaluated prospectively. Thus, bias that often influences retrospective explanations for a program's outcomes was reduced.

Combined Stage and Organizational Development Theories. Perhaps the project's most important contribution is in the way that Stage and OD Theories were combined. In the tobacco curriculum study, Stage and OD Theories were intertwined, and the related strategies were directed at multiple levels. The theories were most directly combined by using process consultation as the intervention at both the adoption and institutionalization stages.

The application of process consultation illustrates how OD techniques can be applied to specific stages. At the adoption stage, the tobacco study had to overcome three major impediments: The project was sponsored by outsiders who were trying to influence schools to adopt a new health curriculum; school personnel had limited knowledge about the curricula being offered and the requirements for instruction; and tobacco prevention was not a priority in schools (and sometimes was considered risky in a "tobacco state" such as North Carolina). Cummings and Mohrman (1987) argue that OD techniques are most relevant at adoption, when an innovation is vaguely defined and its implementation and skill requirements are unclear. Therefore, the process consultation was used to help introduce schools to the curriculum and to clarify the training and commitment required.

At the institutionalization stage, the curriculum had already been implemented. Process consultation was therefore no longer directed at familiarization as in the adoption stage. Process consultation focused instead on the political skills of those individuals who championed the program. Skill development centred on building coalitions of program advocates so that the program could become entrenched within the school system.

Intervention at Multiple Organizational Levels. In addition to contouring OD techniques to fit specific stages, the tobacco study intervened at different organizational levels. For instance, at the awareness stage, the Seaside Conference was directed at both administrators and teachers. The process consultation for adoption also included administrators and teachers, while implementation was mainly teacher oriented. At institutionalization, the focus was once again on administrators. The intervention also influenced the environment surrounding schools because the research team, which supported the

innovation, were outsiders. Hence, the interventions were sensitive to the organizational strata that could influence the innovation's movement to its next stage of development.

Project Weaknesses. Despite the tobacco project's strengths in conceptualization and design, it also illustrates areas in which the application of theory can be improved. For instance, in the process consultation for adoption, the research team had a preplanned agenda. Project staff members began with the goal of getting schools to adopt a tobacco-use prevention curriculum. The traditional approach to OD is less directed in that the consultant is more generally interested in identifying gaps between actual and desired practice (Porras and Robertson, 1987). Once the gaps are identified, the consultant and organization work together to select the areas that are important to address. Such an open-ended approach to problem identification is more consistent with the action research model that is depicted in Figure 14.1. It is also consistent with the tenets of community organization; see Chapter Twelve.

In actuality, the tobacco study did not adhere to the action research model. Action research extends from procedure theory (Figure 14.1) and therefore outlines the steps along which change occurs. Stage Theory , as applied in the tobacco study, functioned as a strategy theory. That is, it provided broad parameters for influencing change at each stage while not in itself identifying specific steps. Process consultation at the adoption and implementation stages is an application of technique theory. The study was missing the middle layer, procedure theory, which is sandwiched between strategy and techniques. Had the action research model been more closely followed, the research team would have included a more detailed diagnosis of each school system, followed by action planning, an intervention such as process consultation, and finally, an evaluation of the change effort. To its detriment, the tobacco-use curriculum study did not adhere to such a procedure theory.

Because the action research model was omitted, schools did not participate in a thorough diagnosis. Therefore, much of the unfreezing that begins to take place when diagnosis is used remained unaddressed. Had action planning been employed as a consequence of such a diagnosis, perhaps a strategy other than process consultation might have been selected for influencing schools to implement the tobacco prevention program. The point is that in not using a procedure theory as the action research model, the research team may have missed important opportunities to involve the schools in deciding how to approach the innovation of tobacco-use prevention programs. Had the schools been more involved from the beginning in diagnosis, the resulting strategies might have been more durable in producing the desired changes.

A Team Approach to Patient Care in a Teaching Hospital

Cohen (1982) describes the team development efforts of a group of residents at an urban teaching hospital. The residents were concerned that the quality of patient care suffered because it was disjointed and did not include patient input. On the basis of prior experience with OD techniques in a community clinic, the residents decided that patient care could be improved if teams consisting of the patient, the patient's family, attending and house physicians, nurses, and aides were formed. The residents identified a floor of the hospital on which to initiate their experiment with team building and obtained the hospital administration's permission to be assigned together to that floor. The residents' goal was to create team care within four months, the duration of their assignment on the target floor.

To form the teams, the residents employed OD consultants who were not part of the hospital staff. The consultants applied an action research strategy and recommended that interviews be conducted with the relevant groups on the experimental floor. The interviews identified the perceived barriers to optimum patient care. On the basis of the interview data, a floorwide meeting was held to discuss the barriers. They included factors such as arrogance and poor communication by physicians, demoralized and intemperate attitudes of nurses, and inconsistent support from attendants. The meeting initially resulted in silence and tension. But with the support of the consultants, the lead

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residents and nursing supervisors agreed to continue biweekly meetings of the entire floor and to organize three task forces to address some of the barriers to improved care.

Over the next several months, only one task force met, and only one additional floor meeting occurred. Rivalries for recognition surfaced among the residents. The chief of medicine was lukewarm to the experiment. The interns who were present at the initial floor meeting were rotated to other service areas, and the new interns had a mixed reaction to team care. Time pressures did not permit extended group development efforts between staff members and consultants. All of these factors contributed to the delay of team formation.

Out of frustration with the delays, the residents and staff members most committed to the experiment moved the patients into a new configuration that was meant to facilitate team care. The move resulted in anger because the admitting office was not consulted, confusion because the patients and their families were not consulted, and embarrassment because the hospital administration was not informed. Thus, the very actions meant to cause team building resulted in further tension.

Although the staff's action caused conflict, benefits also resulted from the crisis. Meetings continued among the nursing supervisors, residents, and interns. Physicians and nurses accompanied each other on rounds, which led to greater communication. In general, the staff became more sensitive to the feelings of others, so morale improved. However, these benefits were short lived. The next group of interns and residents who were rotated onto the floor did not support the team concept. When nurses tried to interact as team members, they received curt answers, and nurses were no longer allowed on physician rounds. Nursing morale dropped, and the team concept was over.

Application of Organizational Change Theories to the Case

What went wrong with the team-building effort? Cohen (1982) argues that the culture of the hospital works against traditional OD efforts such as team development: Hospitals thrive on a status hierarchy in which physicians are at the pinnacle; and OD techniques, such as process consultation, require time that hospital staff members do not have. Also, rapid staff turnover limits the continuity necessary for OD strategies to take hold. Cohen argues that a collaborative diagnosis between consultants and clients may simply not be feasible given the cultural constraints of hospitals. Therefore, he suggests that OD consultants may need to be more assertive in identifying and lobbying for desired changes.

While Cohen is accurate in identifying the unique constraints in the hospital setting, a more assertive approach by OD consultants may not be the answer. Practitioners often do not have the luxury of outside consultants as advocates for desired change. Where consultants are available, their position outside the organization can actually work against change occurring, and a more proactive position may increase resistance (Argyris, 1987). In the following discussion, a different perspective is offered, one that is informed by Stage Theory.

Allowing Time for Nurturing. Radical departures from traditional practice require time. Such a perspective is imbedded in Stage Theory, which accounts for the cultivation of appreciation, acceptance, adoption, implementation, and sustenance necessary to nurture innovations. The major limitation of the hospital team-building case was for four-month time period that was imposed for team development. Four months is simply too short time to actualize such a far-reaching change.

Developing Awareness. The second limitation was that residents were an inappropriate group to be the main champions of the team concept. Stage Theory suggests at least two reasons why this is so. First, the residents were relatively short-term members of the hospital staff and therefore lacked the continuity required to nurture the change through the necessary stages. Second, the residents were not in a strategic position to orchestrate the desired changes. Administrators have the authority and can dedicate resources to facilitate change. In this case, the chief of medicine is not fully supportive of team building. While the residents may be applauded for their ideals, their strategy was not likely to endure.

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Fostering Adoption. A possible third factor in limiting success at team building involves the way in which the residents set up their experiment. They selected the floor on which to implement the team concept. Both Stage Theory and diffusion of innovation theory from which it derives maintain that some units will adopt sooner than others. Therefore, rather than selecting a particular floor, the residents, in concert with the chief of medicine, might have publicized the experiment and selected a floor that had a staff and patients who were eager to participate. Such volunteerism might have reduced resistance. Once the team approach was tested under favorable conditions, other floors might have joined the experiment. Success is more likely if new programs are not imposed on an organizational unit.

Smoothing Implementation. A fourth and glaring deficiency in the hospital case concerns the implementation of team care by the shifting of beds. According to Stage Theory, implementation requires the use of a new repertoire of skills and practices, support and monitoring by midlevel managers and feedback to the staff that reinforces the new activities. Action planning was needed and not done in this case. Such planning allows staff members to identify and phase in strategies that are likely to increase the implementation of a new program. Change is then palatable, not overwhelming. Moreover, if adoption of the team building in the hospital had been more voluntaristic, implementation might have been more by plan than by fiat. Alienation could have been minimized.

Enhancing Institutionalization. A fifth and final critique concerns the institutionalization of the team concept. In the hospital case, the experiment died when the physician staff rotated. Even the most desired programs can falter when new actors come on the scene. They are not part of the history of the program and often do not hold a stake in seeing it continue. For institutionalization to occur, a program's legacy must be transmitted from one generation of the staff to the next. In this case, institutionalization failure was almost preordained. If middle to upper-level administrators had been advocates during the awareness and adoption stages, support could have been provided ultimately to sustain the program.

Conclusion

This chapter has offered some of the prerequisites for successfully guiding organizational change. Two theories of organizational change were analyzed: Stage Theory and Organizational Development Theory. Both theories were applied to two distinct cases. The first case, a randomized experimental study, illustrates how OD techniques may be used to intervene at different stages of an innovation's development. The second, a case study, illustrates how attention to stages can improve OD interventions such as team building. Taken together, the two cases support the value of applying theories of organizational change in concert.

In both cases, change was influenced by individuals outside the innovating organization. In the curriculum dissemination project, university researchers influenced change; and in the hospital team-building effort, OD consultants guided the change process. Health educators are often in a position to influence change from the outside. They may try to affect the adoption of work site health promotion programs as consultants to the organization. In such cases, the theories and strategies presented in this chapter are directly applicable. In other instances, health educators play the role of internal organizational change agents. While working in hospitals, they may try to develop innovative programs. The strategies for organizational change discussed in this chapter may be applied effectively by those influencing change from the inside.

Whether directing change strategies originating within or outside an organization, health practitioners are presented with unique challenges. Health care organizations, such as hospitals, may be dominated by professionals who are skeptical about health promotion programs (Orlandi, 1987). Other organizations, such as schools, may not view health promotion as a priority issue. Organizational change theories offer a foundation for skills to mediate such challenges.

Effective corporate renewal starts at the bottom, through informal efforts to solve business problems.

Why Change Programs Don't Produce Change

by Michael Beer, Russell A. Eisenstat, and Bert Spector

In the mid-1980s, the new CEO of a major international bank – call it U.S. Financial – announced a companywide change effort. Deregulation was posing serious competitive challenges – challenges to which the bank's traditional hierarchical organization was ill-suited to respond. The only solution was to change fundamentally how the company operated. And the place to begin was at the top.

The CEO held a retreat with his top 15 executives where they painstakingly reviewed the bank's purpose and culture. He published a mission statement and hired a new vice president for human resources from a company well-known for its excellence in managing people. And in a quick succession of moves, he established companywide programs to push change down through the organization: a new organizational structure, a performance appraisal system, a pay-for-performance compensation plan, training programs to turn managers into "change agents," and quarterly attitude surveys to chart the progress of the change effort.

As much as these steps sound like a textbook case in organizational transformation, there was one big problem: two years after the CEO launched the change program, virtually nothing in the way of actual changes in organizational behavior had occurred. What had gone wrong?

The answer is "everything." Every one of the assumptions the CEO made – about who should lead the change effort, what needed changing, and how to go about doing it – was wrong.

U.S. Financial's story reflects a common problem. Faced with changing markets and increased competition, more and more companies are struggling to reestablish their dominance, regain market share, and in some cases, ensure their survival. Many have come to understand that the key to competitive success is to transform the way they function. They are reducing reliance on managerial authority, formal rules and procedures, and narrow divisions of work. And they are creating teams, sharing information, and delegating responsibility and accountability far down the hierarchy. In effect, companies are moving from the hierarchical and bureaucratic model of organization that has characterized corporations since World War II to what we call the task-driven organization where what has to be done governs who works with whom and who leads.

But while senior managers understand the necessity of change to cope with new competitive realities, they often misunderstand what it takes to bring it about. They tend to share two assumptions with the CEO of U.S. Financial: that promulgating companywide programs – mission statements, "corporate culture" programs, training courses, quality circles, and new pay-for-performance systems – will transform organizations, and that employee behavior is changed by altering a company's formal structure and systems.

In a four-year study of organizational change at six large corporations (see the insert, "Tracking Corporate Change"; the names are fictitious), we found that exactly the opposite is true: the greatest obstacle to revitalization is the idea that it comes about

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through companywide change programs, particularly when a corporate staff group such as human resources sponsors them. We call this "the fallacy of programmatic change." Just as important, formal organization structure and systems cannot lead a corporate renewal process.

While in some companies, wave after wave of programs rolled across the landscape with little positive impact, in others, more successful transformations did take place. They usually started at the periphery of the corporation in a few plants and divisions far from corporate headquarters. And they were led by

> Successful change efforts focus on the work itself, not on abstractions like "participation" or "culture."

the general managers of those units, not by the CEO or corporate staff people.

The general managers did not focus on formal structures and systems; they created ad hoc organizational arrangements to solve concrete business problems. By aligning employee roles, responsibilities, and relationships to address the organization's most important competitive task – a process we call "task alignment" – they focused energy for change on the work itself, not on abstractions such as "participation" or "culture." Unlike the CEO at U.S. Financial, they didn't employ massive training programs or rely on speeches and mission statements. Instead, we saw that general managers carefully developed the change process through a sequence of six basic managerial interventions.

Once general managers understand the logic of this sequence, they don't have to wait for senior management to start a process of organizational revitalization. There is a lot they can do even without support from the top. Of course, having a CEO or other senior managers who are committed to change does make a difference – and when it comes to changing an entire organization, such support is essential. But top management's role in the change process is very different from that which the CEO played at U.S. Financial.

Grass-roots change presents senior managers with a paradox: directing a "nondirective" change process. The most effective senior managers in our study recognized their limited power to mandate corporate renewal from the top. Instead, they defined their roles as creating a climate for change, then spreading the lessons of both successes and failures. Put another way, they specified the general direction in which the company should move without insisting on specific solutions.

In the early phases of a companywide change process, any senior manager can play this role. Once grass-roots change reaches a critical mass, however, the CEO has to be ready to transform his or her own work unit as well – the top team composed of key business heads and corporate staff heads. At this point, the company's structure and systems must be put into alignment with the new management practices that have developed at the periphery. Otherwise, the tension between dynamic units and static top management will cause the change process to break down.

We believe that an approach to change based on task alignment, starting at the periphery and moving steadily toward the corporate core, is the most effective way to achieve enduring organizational change. This is not to say that change can *never* start at the top, but it is uncommon and too risky as a deliberate strategy. Change is about learning. It is a rare CEO who knows in advance the fine-grained details of organizational change that the many diverse units of a large corporation demand. Moreover, most of today's senior executives developed in an era in which top-down hierarchy was the primary means for organizing and managing. They must learn from innovative approaches coming from younger unit managers closer to the action.

The Fallacy of Programmatic Change

Most change programs don't work because they are guided by a theory of change that is fundamentally flawed. The common belief is that the place to begin is with the knowledge and attitudes of individuals. Changes in attitudes, the theory goes, lead to changes in individual behavior. And changes in individual behavior, repeated by many people, will result in organizational change. According to this model, change is like a conversion experience. Once people "get religion," changes in their behavior will surely follow.

This theory gets the change process exactly backward. In fact, individual behavior is powerfully shaped by the organizational roles that people play. The most effective way to change behavior, therefore, is to put people into a new organizational context, which imposes new roles, responsibilities, and relationships on them. This creates a situation that, in a sense, "forces" new attitudes and behaviors on people. (See the table, "Contrasting Assumptions About Change.")

Tracking Corporate Change

Which strategies for corporate change work, and which do not? We sought the answers in a comprehensive study of 12 large companies where top management was attempting to revitalize the corporation. Based on preliminary research, we identified 6 for in-depth analysis: 5 manufacturing companies and 1 large international bank. All had revenues between $4 billion and $10 billion. We studied 26 plants and divisions in these 6 companies and conducted hundreds of interviews with human resource managers; line managers engaged in change efforts at plants, branches, or business units; workers and union leaders; and, finally, top management.

Based on this material, we ranked the 6 companies according to the success with which they had managed the revitalization effort. Were there significant improvements in interfunctional coordination, decision making, work organization, and concern for people? Research has shown that in the long term, the quality of these 4 factors will influence performance. We did not define success in terms of improved financial performance because, in the short run, corporate financial performance is influenced by many situational factors unrelated to the change process.

To corroborate our rankings of the companies, we also administered a standardized questionnaire in each company to understand how employees viewed the unfolding change process. Respondents rated their companies on a scale of 1 to 5. A score of 3 meant that no change had taken place; a score below 3 meant that, in the employee's judgment, the organization had actually gotten worse. As the table suggests, with one exception – the company we call Livingston Electronics – employees' perceptions of how much their companies had changed were identical to ours. And Livingston's relatively high standard of deviation (which measures the degree of consensus among employees about the outcome of the change effort) indicates that within the company there was considerable disagreement as to just how successful revitalization had been.

Researchers and Employees – Similar Conclusions

	Extent of Revitalization		
Company	*Ranked by Researchers*	*Rated by Employees*	
		Average	*Standard Deviation*
General Products	1	4.04	.35
Fairweather	2	3.58	.45
Livingston Electronics	3	3.61	.76
Scranton Steel	4	3.30	.65
Continental Glass	5	2.96	.83
U.S. Financial	6	2.78	1.07

One way to think about this challenge is in terms of three interrelated factors required for corporate revitalization. *Coordination* or teamwork is especially important if an organization is to discover and act on cost, quality, and product development opportunities. The production and sale of innovative, high-quality, low-cost products (or services) depend on close coordination among marketing, product design, and manufacturing departments, as well as between labor and management. High levels of *commitment* are essential for the effort, initiative, and cooperation that coordinated action demands. New *competencies* such as knowledge of the business as a whole, analytical skills, and interpersonal skills are necessary if people are to identify and solve problems as a team. If any of these elements are missing, the change process will break down.

The problem with most companywide change programs is that they address only one or, at best, two of these factors. Just because a company issues a philosophy statement about teamwork doesn't mean its employees necessarily know what teams to form or how to function within them to improve coordination. A corporate reorganization may change the

boxes on a formal organization chart but not provide the necessary attitudes and skills to make the new structure work. A pay-for-performance system may force managers to differentiate better performers from poorer ones, but it doesn't help them internalize new standards by which to judge subordinates' performances. Nor does it teach them how to deal effectively with performance problems. Such programs cannot provide the cultural context (role models from whom to learn) that people need to develop new competencies, so ultimately they fail to create organizational change.

Similarly, training programs may target competence, but rarely do they change a company's patterns of coordination. Indeed, the excitement engendered in a good corporate training program frequently leads to increased frustration when employees get back on the job only to see their new skills go unused in an organization in which nothing else has changed. People end up seeing training as a waste of time, which undermines whatever commitment to change a program may have roused in the first place.

When one program doesn't work, senior managers, like the CEO at U.S. Financial, often try another, instituting a rapid progression of programs. But this only exacerbates the problem. Because they are designed to cover everyone and everything, programs end up covering nobody and nothing particularly well. They are so general and standardized that they don't speak to the day-to-day realities of particular units. Buzzwords like "quality," "participation," "excellence," "empowerment," and "leadership" become a substitute for a detailed understanding of the business.

And all these change programs also undermine the credibility of the change effort. Even when managers accept the potential value of a particular program for others – quality circles, for example, to solve a manufacturing problem – they may be confronted with another, more pressing business problem such as new product development. One-size-fits-all change programs take energy *away* from efforts to solve key business problems – which explains why so many general managers don't support programs, even when they acknowledge that their underlying principles may be useful.

This is not to state that training, changes in pay systems or organizational structure, or a new corporate philosophy are always inappropriate. All can play valuable roles in supporting an integrated change effort. The problems come when such programs are used in isolation as a kind of "magic bullet" to spread organizational change rapidly through the entire corporation. At their best, change programs of this sort are irrelevant. At their worst, they actually inhibit change. By promoting skepticism and cynicism, programmatic change can inoculate companies against the real thing.

Contrasting Assumptions About Change

Programmatic Change	*Task Alignment*
Problems in behavior are a function of individual knowledge, attitudes, and beliefs.	Individual knowledge, attitudes, and beliefs are shaped by recurring patterns of behavioral interactions.
The primary target of renewal should be the content of attitudes and ideas; actual behavior should be secondary.	The primary target of renewal should be behavior; attitudes and ideas should be secondary.
Behavior can be isolated and changed individually.	Problems in behavior come from a circular pattern, but the effects of the organizational system on the individual are greater than those of the individual on the system.
The target for renewal should be at the individual level.	The target for renewal should be at the level of roles, responsibilities, and relationships.

Six Steps to Effective Change

Companies avoid the shortcomings of programmatic change by concentrating on "task alignment" – reorganizing employee roles, responsibilities, and relationships to solve specific business problems. Task alignment is easiest in small units – a plant, department, or business unit – where goals and tasks are clearly defined. Thus the chief problem for corporate change is how to promote task-aligned change across many diverse units.

We saw that general managers at the business unit or plant level can achieve task alignment through a sequence of six overlapping but distinctive steps, which we call the *critical path*. This path develops a self-reinforcing cycle of commitment, coordination, and competence. The sequence of steps is important because activities appropriate at one time are often counterproductive if started too early. Timing is everything in the management of change.

1. *Mobilize commitment to change through joint diagnosis of business problems.* As the term task alignment suggests, the starting point of any effective change effort is a clearly defined business prob-

lem. By helping people develop a shared diagnosis of what is wrong in an organization and what can and must be improved, a general manager mobilizes the initial commitment that is necessary to begin the change process.

Consider the case of a division we call Navigation Devices, a business unit of about 600 people set up by a large corporation to commercialize a product origi-

The starting point of any effective change effort is a clearly defined business problem.

nally designed for the military market. When the new general manager took over, the division had been in operation for several years without ever making a profit. It had never been able to design and produce a high-quality, cost-competitive product. This was due largely to an organization in which decisions were made at the top, without proper involvement of or coordination with other functions.

The first step the new general manager took was to initiate a broad review of the business. Where the previous general manager had set strategy with the unit's marketing director alone, the new general manager included his entire management team. He also brought in outside consultants to help him and his managers function more effectively as a group.

Next, he formed a 20-person task force representing all the stakeholders in the organization – managers, engineers, production workers, and union officials. The group visited a number of successful manufacturing organizations in an attempt to identify what Navigation Devices might do to organize more effectively. One high-performance manufacturing plant in the task force's own company made a particularly strong impression. Not only did it highlight the problems at Navigation Devices but it also offered an alternative organizational model, based on teams, that captured the group's imagination. Seeing a different way of working helped strengthen the group's commitment to change.

The Navigation Devices task force didn't learn new facts from this process of joint diagnosis; everyone already knew the unit was losing money. But the group came to see clearly the organizational roots of the unit's inability to compete and, even more important, came to share a common understanding of the problem. The group also identified a potential organizational solution: to redesign the way it worked, using ad hoc teams to integrate the organization around the competitive task.

2. *Develop a shared vision of how to organize and manage for competitiveness.* Once a core group of people is committed to a particular analysis of the problem, the general manager can lead employees toward a task-aligned vision of the organization that defines new roles and responsibilities. These new arrangements will coordinate the flow of information and work across interdependent functions at all levels of the organization. But since they do not change formal structures and systems like titles or compensation, they encounter less resistance.

At Navigation Devices, the 20-person task force became the vehicle for this second stage. The group came up with a model of the organization in which cross-functional teams would accomplish all work, particularly new product development. A business-management team composed of the general manager and his staff would set the unit's strategic direction and review the work of lower level teams. Business-area teams would develop plans for specific markets. Product-development teams would manage new products from initial design to production. Production-process teams composed of engineers and production workers would identify and solve quality and cost problems in the plant. Finally, engineering-process teams would examine engineering methods and equipment. The teams got to the root of the unit's problems – functional and hierarchical barriers to sharing information and solving problems.

To create a consensus around the new vision, the general manager commissioned a still larger task force of about 90 employees from different levels and functions, including union and management, to refine the vision and obtain everyone's commitment to it. On a retreat away from the workplace, the group further refined the new organizational model and drafted a values statement, which it presented later to the entire Navigation Devices work force. The vision and the values statement made sense to Navigation Devices employees in a way many corporate mission statements never do – because it grew out of the organization's own analysis of real business problems. And it was built on a model for solving those problems that key stakeholders believed would work.

3. *Foster consensus for the new vision, competence to enact it, and cohesion to move it along.* Simply letting employees help develop a new vision is not enough to overcome resistance to change – or to foster the skills needed to make the new organization work. Not everyone can help in the design, and even those who do participate often do not fully appreciate what renewal will require until the new organization is actually in place. This is when strong leadership from the general manager is crucial. Com-

mitment to change is always uneven. Some managers are enthusiastic; others are neutral or even antagonistic. At Navigation Devices, the general manager used what his subordinates termed the "velvet glove." He made it clear that the division was going to encourage employee involvement and the team approach. To managers who wanted to help him, he offered support. To those who did not, he offered outplacement and counseling.

Once an organization has defined new roles and responsibilities, people need to develop the competencies to make the new setup work. Actually, the very existence of the teams with their new goals and accountabilities will force learning. The changes in roles, responsibilities, and relationships foster new skills and attitudes. Changed patterns of coordination will also increase employee participation, collaboration, and information sharing.

But management also has to provide the right supports. At Navigation Devices, six resource people – three from the unit's human resource department and three from corporate headquarters – worked on the change project. Each team was assigned one internal consultant, who attended every meeting, to help people be effective team members. Once employees could see exactly what kinds of new skills they needed, they asked for formal training programs to develop those skills further. Since these courses grew directly out of the employees' own experiences, they were far more focused and useful than traditional training programs.

Teamwork asks more of employees – so they need more support from management.

Some people, of course, just cannot or will not change, despite all the direction and support in the world. Step three is the appropriate time to replace those managers who cannot function in the new organization – after they have had a chance to prove themselves. Such decisions are rarely easy, and sometimes those people who have difficulty working in a participatory organization have extremely valuable specialized skills. Replacing them early in the change process, before they have worked in the new organization, is not only unfair to individuals; it can be demoralizing to the entire organization and can disrupt the change process. People's understanding of what kind of manager and worker the new organization demands grows slowly and only from the experience of seeing some individuals succeed and others fail.

Once employees have bought into a vision of what's necessary and have some understanding of what the new organization requires, they can accept the necessity of replacing or moving people who don't make the transition to the new way of working. Sometimes people are transferred to other parts of the company where technical expertise rather than the new competencies is the main requirement. When no alternatives exist, sometimes they leave the company through early retirement programs, for example. The act of replacing people can actually reinforce the organization's commitment to change by visibly demonstrating the general manager's commitment to the new way.

Some of the managers replaced at Navigation Devices were high up in the organization – for example, the vice president of operations, who oversaw the engineering and manufacturing departments. The new head of manufacturing was far more committed to change and skilled in leading a critical path change process. The result was speedier change throughout the manufacturing function.

4. *Spread revitalization to all departments without pushing it from the top.* With the new ad hoc organization for the unit in place, it is time to turn to the functional and staff departments that must interact with it. Members of teams cannot be effective unless the department from which they come is organized and managed in a way that supports their roles as full-fledged participants in team decisions. What this often means is that these departments will have to rethink their roles and authority in the organization.

At Navigation Devices, this process was seen most clearly in the engineering department. Production department managers were the most enthusiastic about the change effort; engineering managers were more hesitant. Engineering had always been king at Navigation Devices; engineers designed products to the military's specifications without much concern about whether manufacturing could easily build them or not. Once the new team structure was in place, however, engineers had to participate on product-development teams with production workers. This required them to reexamine their roles and rethink their approaches to organizing and managing their own department.

The impulse of many general managers faced with such a situation would be to force the issue – to announce, for example, that now all parts of the organization must manage by teams. The temptation to force newfound insights on the rest of the organization can be great, particularly when rapid change is needed, but it would be the same mistake that senior managers make when they try to push programmatic

change throughout a company. It short-circuits the change process.

It's better to let each department "reinvent the wheel" – that is, to find its own way to the new organization. At Navigation Devices, each department was allowed to take the general concepts of coordination and teamwork and apply them to its particular situation. Engineering spent nearly a year agonizing over how to implement the team concept. The department conducted two surveys, held off-site meetings, and proposed, rejected, then accepted a matrix management structure before it finally got on board. Engineering's decision to move to matrix management was not surprising, but because it was its own choice, people committed themselves to learning the necessary new skills and attitudes.

5. *Institutionalize revitalization through formal policies, systems, and structures.* There comes a

> The temptation to force newfound insights on the rest of the organization is great, but it only short-circuits change.

point where general managers have to consider how to institutionalize change so that the process continues even after they've moved on to other responsibilities. Step five is the time: the new approach has become entrenched, the right people are in place, and the team organization is up and running. Enacting changes in structures and systems any earlier tends to backfire. Take information systems. Creating a team structure means new information requirements. Why not have the MIS department create new systems that cut across traditional functional and departmental lines early in the change process? The problem is that without a well-developed understanding of information requirements, which can best be obtained by placing people on task-aligned teams, managers are likely to resist new systems as an imposition by the MIS department. Newly formed teams can often pull together enough information to get their work done without fancy new systems. It's better to hold off until everyone understands what the team's information needs are.

What's true for information systems is even more true for other formal structures and systems. Any formal system is going to have some disadvantages; none is perfect. These imperfections can be minimized, however, once people have worked in an ad hoc team structure and learned what interdependencies are necessary. Then employees will commit to them too.

Again, Navigation Devices is a good example. The revitalization of the unit was highly successful. Employees changed how they saw their roles and responsibilities and became convinced that change could actually make a difference. As a result, there were dramatic improvements in value added per employee, scrap reduction, quality, customer service, gross inventory per employee, and profits. And all this happened with almost no formal changes in reporting relationships, information systems, evaluation procedures, compensation, or control systems.

When the opportunity arose, the general manager eventually did make some changes in the formal organization. For example, when he moved the vice president of operations out of the organization, he eliminated the position altogether. Engineering and manufacturing reported directly to him from that point on. For the most part, however, the changes in performance at Navigation Devices were sustained by the general manager's expectations and the new norms for behavior.

6. *Monitor and adjust strategies in response to problems in the revitalization process.* The purpose of change is to create an asset that did not exist before – a learning organization capable of adapting to a changing competitive environment. The organization has to know how to continually monitor its behavior – in effect, to learn how to learn.

Some might say that this is the general manager's responsibility. But monitoring the change process needs to be shared, just as analyzing the organization's key business problem does.

At Navigation Devices, the general manager introduced several mechanisms to allow key constituents to help monitor the revitalization. An oversight team – composed of some crucial managers, a union leader, a secretary, an engineer, and an analyst from finance – kept continual watch over the process. Regular employee attitude surveys monitored behavior patterns. Planning teams were formed and reformed in response to new challenges. All these mechanisms created a long-term capacity for continual adaptation and learning.

The six-step process provides a way to elicit renewal without imposing it. When stakeholders become committed to a vision, they are willing to accept a new pattern of management – here the ad hoc team structure – that demands changes in their behavior. And as the employees discover that the new approach is more effective (which will happen only if the vision aligns with the core task), they have to grapple with personal and organizational changes they might otherwise resist. Finally, as improved coordination helps solve relevant problems, it will reinforce team behavior and produce a desire to

learn new skills. This learning enhances effectiveness even further and results in an even stronger commitment to change. This mutually reinforcing cycle of improvements in commitment, coordination, and competence creates a growing sense of efficacy. It can continue as long as the ad hoc team structure is allowed to expand its role in running the business.

The Role of Top Management

To change an entire corporation, the change process we have described must be applied over and over again in many plants, branches, departments, and divisions. Orchestrating this companywide change process is the first responsibility of senior management. Doing so successfully requires a delicate balance. Without explicit efforts by top management to promote conditions for change in individual units, only a few plants or divisions will attempt change, and those that do will remain isolated. The best senior manager leaders we studied held their subordinates responsible for starting a change process without specifying a particular approach.

Create a market for change. The most effective approach is to set demanding standards for all operations and then hold managers accountable to them. At our best-practice company, which we call General Products, senior managers developed ambitious product and operating standards. General managers unable to meet these product standards by a certain date had to scrap their products and take a sharp hit to their bottom lines. As long as managers understand that high standards are not arbitrary but are dictated by competitive forces, standards can generate enormous pressure for better performance, a key ingredient in mobilizing energy for change.

But merely increasing demands is not enough. Under pressure, most managers will seek to improve business performance by doing more of what they have always done – overmanage – rather than alter the fundamental way they organize. So, while senior managers increase demands, they should also hold managers accountable for fundamental changes in the way they use human resources.

For example, when plant managers at General Products complained about the impossibility of meeting new business standards, senior managers pointed them to the corporate organization-development department within human resources and emphasized that the plant managers would be held accountable for moving revitalization along. Thus top management had created a demand system for help with the new way of managing, and the human resource staff could support change without appearing to push a program.

Use successfully revitalized units as organizational models for the entire company. Another important strategy is to focus the company's attention on plants and divisions that have already begun experimenting with management innovations. These units become developmental laboratories for further innovation.

There are two ground rules for identifying such models. First, innovative units need support. They need the best managers to lead them, and they need adequate resources – for instance, skilled human resource people and external consultants. In the most successful companies that we studied, senior managers saw it as their responsibility to make resources available to leading-edge units. They did not leave it to the human resource function.

Second, because resources are always limited and the costs of failure high, it is crucial to identify those units with the likeliest chance of success. Successful management innovations can appear to be failures when the bottom line is devastated by environmental factors beyond the unit's control. The best models are in healthy markets.

Obviously, organizational models can serve as catalysts for change only if others are aware of their existence and are encouraged to learn from them. Many of our worst-practice companies had plants and divisions that were making substantial changes. The problem was, nobody knew about them. Corporate management had never bothered to highlight them as examples to follow. In the leading companies, visits, conferences, and educational programs facilitated learning from model units.

> Many of our worst-practice companies had plants and divisions that were making substantial changes; the problem was, nobody knew about them.

Develop career paths that encourage leadership development. Without strong leaders, units cannot make the necessary organizational changes, yet the scarcest resource available for revitalizing corporations is leadership. Corporate renewal depends as much on developing effective change leaders as it does on developing effective organizations. The personal learning associated with leadership development – or the realization by higher management

that a manager does not have this capacity – cannot occur in the classroom. It only happens in an organization where the teamwork, high commitment, and new competencies we have discussed are already the norm.

The only way to develop the kind of leaders a changing organization needs is to make leadership an important criterion for promotion, and then manage people's careers to develop it. At our best-practice companies, managers were moved from job to job and from organization to organization based on their learning needs, not on their position in the hierarchy. Successful leaders were assigned to units that had been targeted for change. People who needed to sharpen their leadership skills were moved into the company's model units where those skills would be demanded and therefore learned. In effect, top management used leading-edge units as hothouses to develop revitalization leaders.

But what about the top management team itself? How important is it for the CEO and his or her direct reports to practice what they preach? It is not

As change spreads, top managers must look at what they practice versus what they preach.

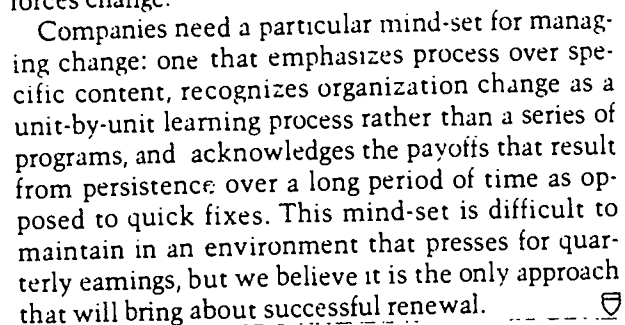
surprising – indeed, it's predictable – that in the early years of a corporate change effort, top managers' actions are often not consistent with their words. Such inconsistencies don't pose a major barrier to corporate change in the beginning, though consistency is obviously desirable. Senior managers can create a climate for grass-roots change without paying much attention to how they themselves operate and manage. And unit managers will tolerate this inconsistency so long as they can freely make changes in their own units in order to compete more effectively.

There comes a point, however, when addressing the inconsistencies becomes crucial. As the change process spreads, general managers in the ever-growing circle of revitalized units eventually demand changes from corporate staff groups and top management. As they discover how to manage differently in their own units, they bump up against constraints of policies and practices that corporate staff and top management have created. They also begin to see opportunities for better coordination between themselves and other parts of the company over which they have little control. At this point, corporate organization must be aligned with corporate strategy, and coordination between related but hitherto independent businesses improved for the benefit of the whole corporation.

None of the companies we studied had reached this "moment of truth." Even when corporate leaders intellectually understood the direction of change, they were just beginning to struggle with how they would change themselves and the company as a whole for a total corporate revitalization.

This last step in the process of corporate renewal is probably the most important. If the CEO and his or her management team do not ultimately apply to themselves what they have been encouraging their general managers to do, then the whole process can break down. The time to tackle the tough challenge of transforming companywide systems and structures comes finally at the end of the corporate change process.

At this point, senior managers must make an effort to adopt the team behavior, attitudes, and skills that they have demanded of others in earlier phases of change. Their struggle with behavior change will help sustain corporate renewal in three ways. It will promote the attitudes and behavior needed to coordinate diverse activities in the company; it will lend credibility to top management's continued espousal of change; and it will help the CEO identify and develop a successor who is capable of learning the new behaviors. Only such a manager can lead a corporation that can renew itself continually as competitive forces change.



Companies need a particular mind-set for managing change: one that emphasizes process over specific content, recognizes organization change as a unit-by-unit learning process rather than a series of programs, and acknowledges the payoffs that result from persistence over a long period of time as opposed to quick fixes. This mind-set is difficult to maintain in an environment that presses for quarterly earnings, but we believe it is the only approach that will bring about successful renewal.

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70

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