

Whole Organization and Multiple Organization Interventions (Part 1)

The organization design of the Valves and Controls business unit of Tyco Flow Control had outlived its time. The company decided to focus its attention on its core customer groups and to organize by the key industry segments that purchased its products, such as the oil and gas, mining, and water and chemical industries. The challenge was to develop an integrated global organization that could work together across significant geographic boundaries rather than relying on a distant headquarters organization to make all decisions. With 8,000 employees in more than 300 global locations, this was no small feat. A core team was identified (including HR, OD, strategy and line leadership) to manage the organization design process, and a broader expanded team was created to make design decisions. The expanded team's members represented a diverse group of skills and backgrounds as well as layers across the hierarchy. This decision to include broad involvement in the design was intended to role model what was expected out of the organization in the end, namely the ability to work in a collaborative and matrixed environment. The expanded team made several early foundational design decisions and decided to increase involvement even more.

In a 3-day organization design workshop, 75 employees debated design alternatives and models. They discussed sensitive subjects of authority, power, and control while avoiding moving forward with decisions that might be politically attractive but wrong for the company. New leaders were identified of the new units, and the units were staffed through an open process over the following months that matched employees to the skill needs of the roles rather than

the leaders' personal preferences or friendships. Six months into the new design, leaders came together to share problems and challenges with the actual versus the imagined design. This allowed leaders to work out problems of power and governance between regional and global roles and to assess and adjust the design as appropriate.

Several significant results were achieved in the 3 years since the initial design discussions took place. An important customer who had wanted a global contract for 5 years (but had never been able to get Tyco to accommodate them) finally was able to negotiate a global agreement. A global product roadmap was created. The new global manufacturing operations saw increased efficiencies in facilities usage. Perhaps the most lasting impact was the development of the leaders who participated in the design work. Through a collaborative process, leaders were involved in changes that affected them as they learned how to engage in the process of strategic redesign (Rice & Nash, 2011).

- What are some of the special challenges in large-scale changes like this one?
- What practices made this organization design project a success?

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

- Organizational culture assessment and change
- Organization design and structure
- Directional interventions: strategic planning and real-time strategic change, scenario planning, and search conferences and future search

These "large-scale" interventions are done for a number of reasons. There are enormous pressures on organizations to reduce costs, increase productivity, speed up cycle time of product development, clarify direction, improve morale, and increase participation (Covin, 1992). Sometimes organizations approach large-scale interventions consciously and intentionally, such as when they develop a

3- to 5-year strategic plan, engage in a culture change initiative, or acquire/merge with another organization. Change may also be forced on the organization unintentionally due to economic, regulatory, or customer requirements; a competitor's new product that requires a company to quickly keep up; or changes that occur inside the organization, such as an unexpected leadership departure (Cummings & Feyerherm, 1995). Organizations often choose a large-scale intervention when the task is complex or urgent, or when multiple people are required to accomplish it (Bunker & Alban, 1992).

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

Characteristics of Contemporary Large-Scale Interventions

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

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

Large interventions now often involve sizable groups, with hundreds or even thousands of participants (for an example of a large-group intervention with as many as 4,000 to 13,000 participants, see Lukensmeyer & Brigham, 2005), or even more in multiple organizations or where entire societies and nations are affected. In fact, even in a single global organization, an intervention that engages many

thousands of employees is now commonplace. Including multiple levels and roles in the intervention can lead to better knowledge since problems can be examined from multiple angles, but it also allows participants to learn about the problems, perspectives, and challenges of organizational members they may never have met. In addition, internal and external boundaries have become blurred, as participants from outside the organization, such as suppliers or customers, may be included as well. Even though the groups are large and may initially sound unwieldy, large interventions are often structured using smaller subgroups for purposes of idea generation and dialogue.

Timeline. Despite the need for rapid change, many interventions that target a whole organization rarely consist of a single intervention activity; rather, they often involve multiple activities over a longer period (Covin, 1992, found that the timeline is often longer than a year). Thus, a small list of objectives may be tackled with several individual intervention activities designed to address them. Notice how in the organization design example that opens this chapter, the 3-year design effort included multiple meetings and workshops throughout the intervention.

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

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

Organizational Culture Assessment and Change

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

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

- *Communication* (patterns and media). Who communicates to whom, on what topics, using what media. In some large organizations, the highest leaders send e-mail to all employees, while in others in-person communication is preferred. These choices can be situation- or topic-dependent as well.
- *Artifacts*. For example, pictures or posters on the wall, lobby decor, or dress style. Some organizations have explicit rules for who is permitted what size office, with what furniture style, or even what model of phone or cell phone calling plan is authorized.
- *Stories, myths, and legends*. What stories from the past resonate with organizational members to recall lessons and learnings from positive or negative events. An organization that has undergone an especially traumatic event, such as a bankruptcy, is likely to have a set of stories and assumptions that are repeated to guide new decisions in order to avoid repeating historical mistakes.
- *Ceremonies, rites, and rituals*. These are formal and informal gatherings or recurring events in which a standard “script” seems to be followed. Examples include a corporate picnic or holiday party, initiation rites such as those in a fraternity or sorority, or even repetitive events such as annual sales conferences, staff meetings, or performance appraisals.
- *Values, ethics, and moral codes*. Doing what is “right” may mean doing it quickly in one organization or doing an exhaustive study of all possible options in another organization. Organizations have espoused values, those that they explicitly articulate, and hidden underlying values, those that guide decision making but about which organizational members are usually less conscious.
- *Decision-making style*. Including what information is needed before a decision is made, who is consulted, whether opinions are freely offered, who makes the final decision, and how it is communicated.

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

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

Schein’s culture assessment involves focus groups (detailed below) because groups and teams create culture; so he argues that the data used to understand the culture should also come from groups, not individual surveys. Schein’s assessment of culture is qualitative, which has been the dominant way of studying culture. However, another well-respected set of authors on culture has found success with an Organizational Culture Assessment Instrument (OCAI; Cameron & Quinn, 2006),

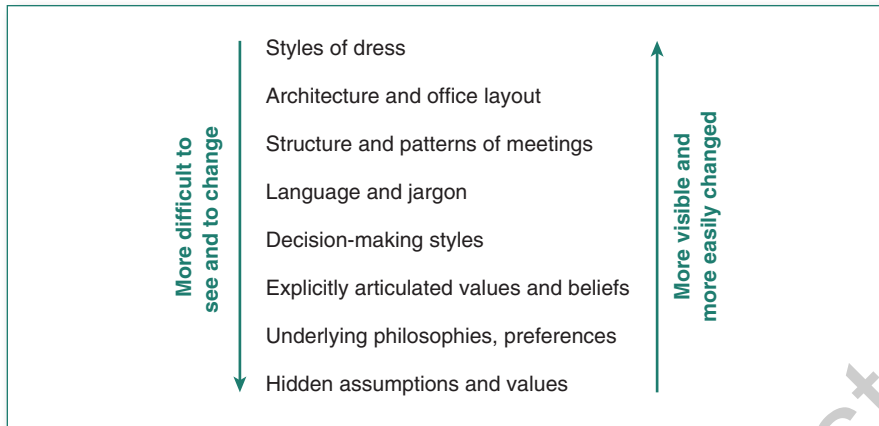


Figure 12.1 Organizational Culture

a quantitative methodology where organizational members complete individual surveys to give change agents insight into the culture. By comparing organizations on dimensions such as internal versus external focus and preferences for flexibility or control, the “competing values framework” (which is the basis for the OCAI; see Cameron & Freeman, 1991; Cameron & Quinn, 2006; Denison & Spreitzer, 1991) to organizational culture posits four idealized culture types:

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

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

Schein (2004, 2006b) has developed a culture change process involving focus groups that are asked to define the culture and to determine how it should be changed. His process involves soliciting commitment from top leadership for the

effort and then beginning a series of focus groups that explore the elements of culture listed above (such as communication patterns, ceremonies, and artifacts). In Schein's process, subteams, often from different parts of the organization, are asked to do the following:

1. Describe the organization's existing culture, including specific examples of artifacts, rituals, and language.
2. Define the organization's explicitly articulated values.
3. Analyze whether the values fully explain the existence of the artifacts or whether there are underlying assumptions that amount to additional hidden cultural values.
4. Describe how the explicit or hidden values inhibit or strengthen how the organization achieves its goals.
5. Share any subcultural differences among the teams.
6. Discuss and come to agreement on action plans to change the negative cultural values.

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

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

There are a number of excellent cultural assessment methodologies, both quantitative and qualitative, that have been developed by scholars and OD practitioners. Regardless of the methodology chosen, it is important to be conscious of the

reasons and uses of the assessment. It is tempting to ascribe all organizational problems to problems of “culture,” which can be esoteric to many leaders and unnecessarily broad for the change agent to diagnose when the problem can be defined more specifically. Cultural interventions often complement other types of interventions rather than being undertaken in isolation.

Organization Design and Structure

Many organizations conduct a regular restructuring, giving employees new titles or job descriptions, or perhaps creating, combining, or dividing departments. These structural changes often fail to achieve their desired outcomes, which frequently occur when organizations approach design activity as a knee-jerk reaction to other problems or alter the organizational structure without considering larger implications.

However, there are many times when organization design genuinely needs to be addressed. The organization may be a new division or may have grown substantially. The organization may have outgrown its previous model due to size or complexity, or a change in strategy or major acquisition prompts the company to rethink an outdated model. Other signs for concern exist when departmental barriers inhibit process effectiveness and the organization is no longer serving its customers well, or employees may be frustrated at the internal obstacles to getting their work done (Ashkenas, Ulrich, Jick, & Kerr, 2002).

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

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

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

The terms *structure* and *design* are often used synonymously, but they are not the same. An organization’s structure tends to refer to the ways in which boxes are drawn on organizational charts, whereas design refers not only to the structure but also other

elements that support the structure. Design has several components, all of which must be in alignment and must support one another to produce a capable, effective organization (Galbraith, 1995; Galbraith et al., 2002). These components have been described in two ways: in Galbraith's star model and in the McKinsey 7S framework.

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

- *Strategy*: The organization's direction and long-term vision
- *Structure*: Roles, responsibilities, and relationships among functions
- *Processes and lateral capability*: Decision-making processes, integrative roles, and cross-functional collaboration mechanisms
- *Reward systems*: Compensation and recognition, goals and measurement systems
- *People practices*: Hiring, performance reviews, and training and development

Each of these five components supports and must be in alignment with the other four. When any aspect of the star model is out of alignment with the rest of the model, the organization's performance suffers. If the strategy is not clear to employees, for example, individuals and teams will be confused about their purposes and overarching objectives. If reward systems do not explicitly articulate tangible and intangible recognition in support of the goals and objectives, the organization may be rewarding the wrong activities. The organization design can inhibit the effective accomplishment of work, and while "smart people figure out how to work around the barriers they encounter . . . they waste time and energy" (Kates & Galbraith, 2007, p. 2) in doing so.

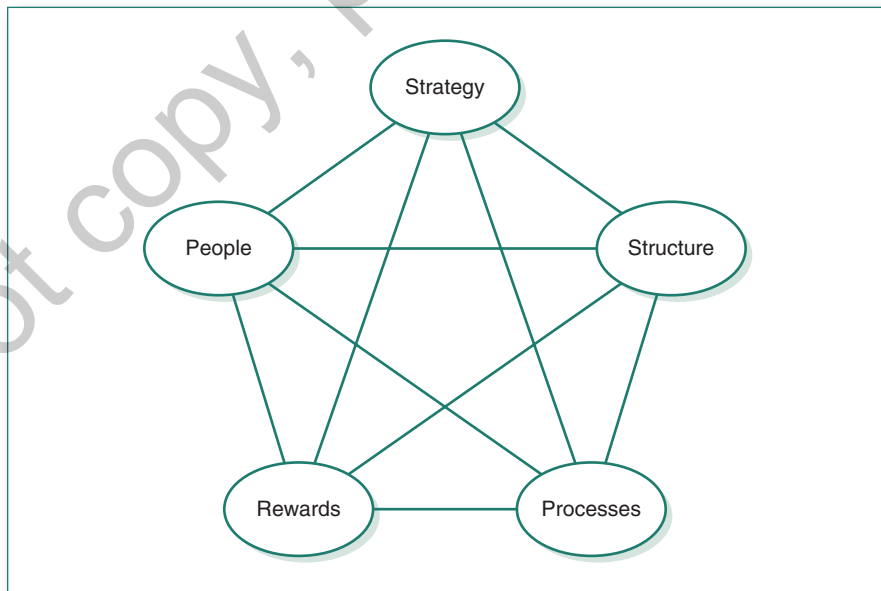


Figure 12.2 Star Model

SOURCE: Galbraith, J. R. (2002). *Designing Organizations: An Executive Guide to Strategy, Structure, and Process*. New York, NY: Wiley. Reprinted with permission of John Wiley & Sons, Inc.

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

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

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

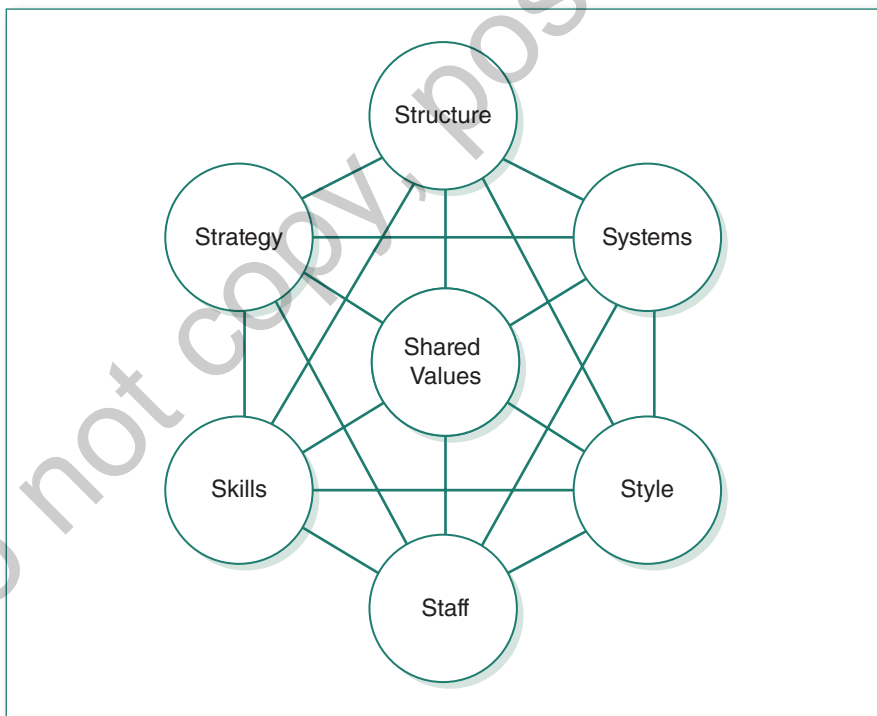


Figure 12.3 McKinsey 7S Framework

SOURCE: Waterman R. H., Jr., Peters, T. J., & Phillips, J. R. (1980). Structure is not organization. *Business Horizons*, 23(3), 14.

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

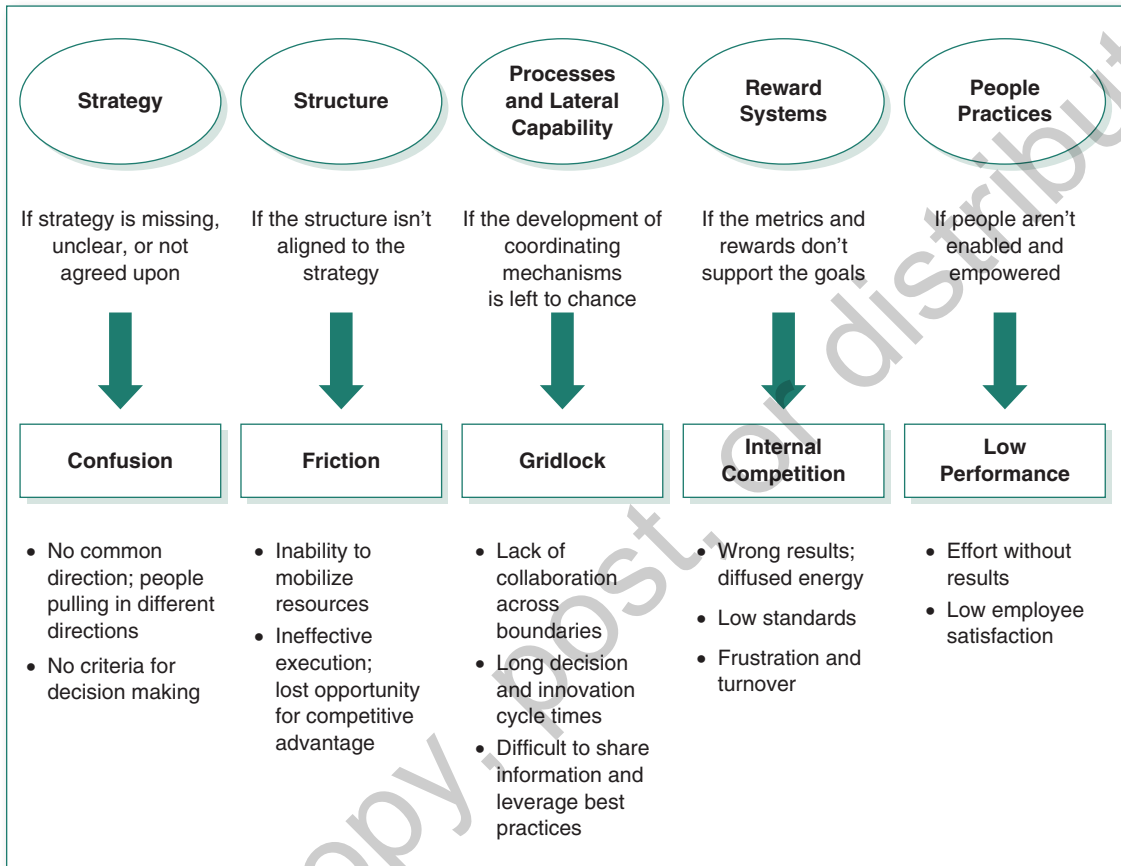


Figure 12.4 Unaligned Organization Design

SOURCE: Galbraith, J., Downey, D., & Kates, A. (2002). *Designing Dynamic Organizations: A Hands-On Guide for Leaders at All Levels*. New York, NY: AMACOM, p. 5. Published by AMACOM.

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

1. *Preparing for change.* This includes assessing the current organizational structure, assessing the organization's strategy, and outlining objectives for a new design.
2. *Choosing to redesign.* An organization design change can be highly disruptive. Once word leaks that a new structure is imminent, employees may begin to feel anxiety over the transition to a new team, new manager, or new job. Gaining feedback from a large group of stakeholders on the criteria for a new

design can help to assess the prospects for a successful transition (Galbraith et al., 2002).

3. *Creating the high-level design.* Developing alternative scenarios and evaluating them against tests such as those described below. This includes considering not only alternative structures, but how the structure will affect processes, rewards systems, metrics, people selection, and skill development.
4. *Handling the transition.* This involves communicating plans to employees and helping them through the transition.
5. *Reviewing the design.* Components of this review include evaluating the results of the new structure, measuring outcomes, and making adaptations or any new changes.

Common Organizational Structures

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

Functional Structure

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

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

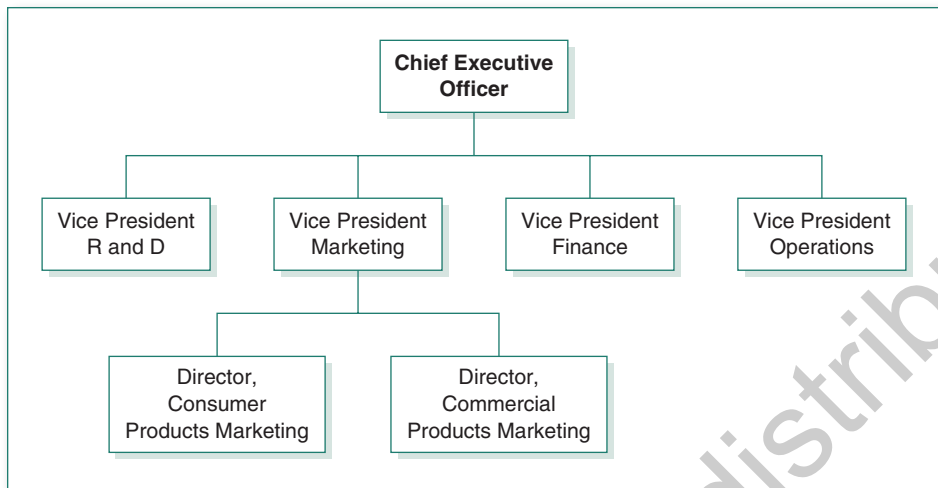


Figure 12.5 Functional Structure

Unit Structure

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

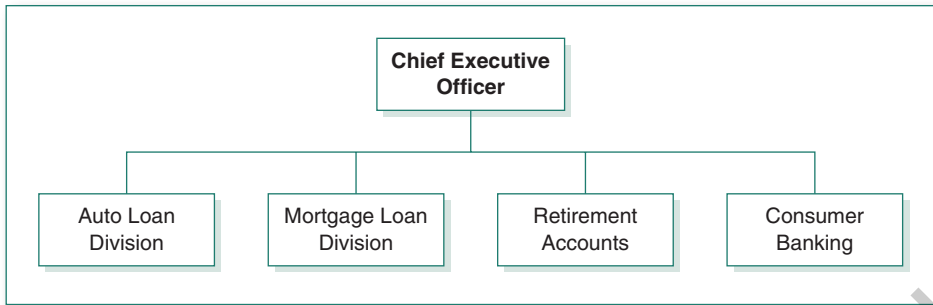


Figure 12.6a Unit Structure: Product

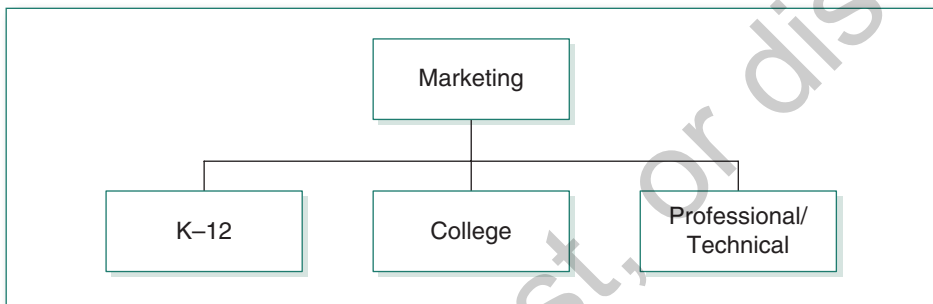


Figure 12.6b Unit Structure: Customer

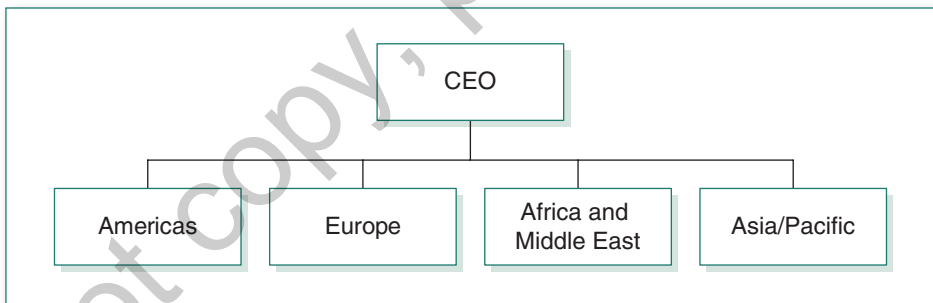


Figure 12.6c Unit Structure: Geographic

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

division may not share information with the auto loan division to streamline a consumer's loan application information; global customers may need coordinated points of contact in each geographic division).

Matrix Structure

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

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

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

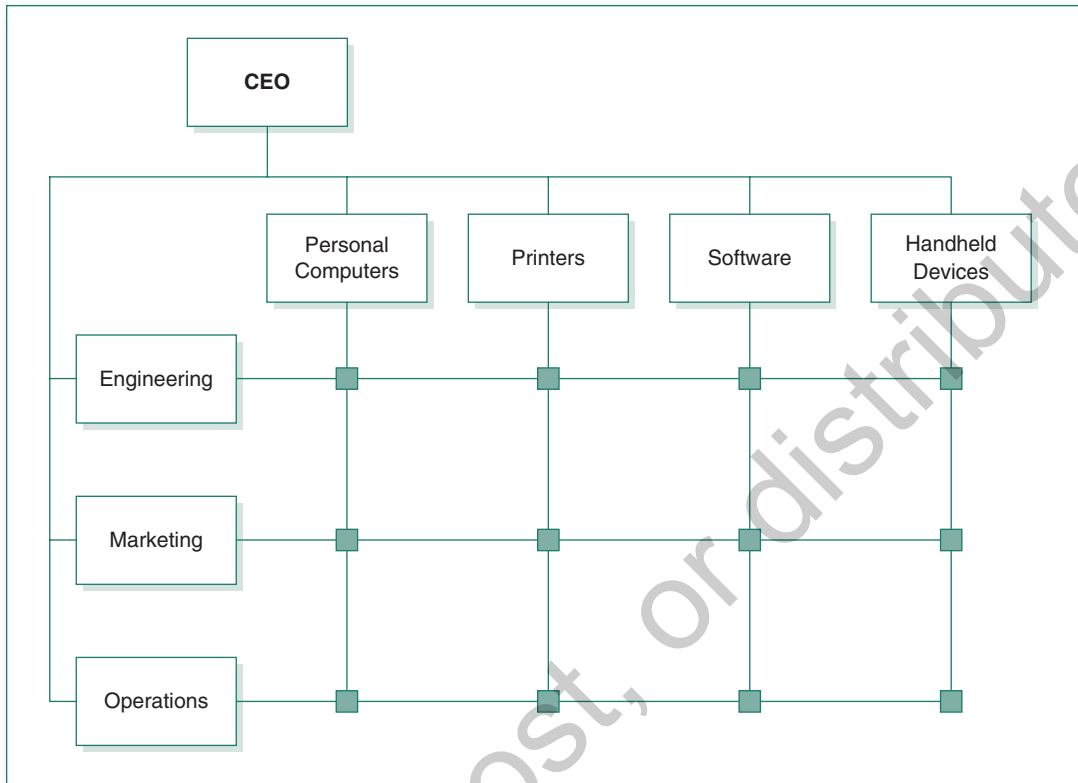


Figure 12.7 Matrix Structure

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

Network Structure

Like the matrix structure, the network structure dissolves the traditional hierarchical functional structure. Indeed, the network structure reduces the organization's functions down to its central competencies, and a network of suppliers and partners provides services that the organization does not consider central (or that are not cost-effective to perform internally; Miles & Snow, 1992). In one type of network, organizations may design their own products internally, but may contract with an outside manufacturer and shipping company to build and deliver products to customers. They may work with local distributors or third-party providers who may sell directly to customers on behalf of the company, but these distributors are independent entities, not in-house sales agents. In some networked organizations, the "external" suppliers may be so tightly integrated with

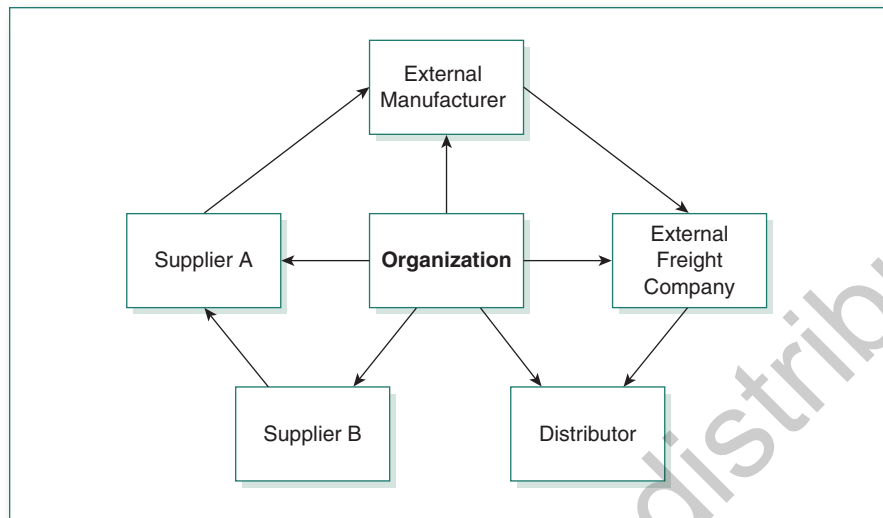


Figure 12.8 Network Structure

the organization's people, processes, and technology that the line between being internal and external to the organization is blurred. The organization may even ask outside suppliers, manufacturers, and distributors to integrate their own processes and technology on behalf of the company. The organization therefore becomes a "broker" of services among the various players (Miles & Snow, 1986). An example of this type of network is presented in Figure 12.8. Other types of networks exist as well (Miles & Snow, 1992).

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

Boundaryless and Process Structure

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

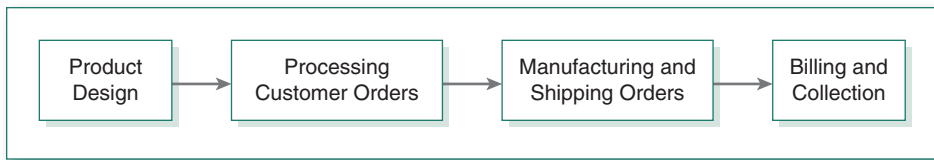


Figure 12.9 Boundaryless or Process Structure

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

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

Lateral Capability

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

To compensate for the flaws in a chosen structure, organization designers develop lateral capabilities, or horizontal mechanisms that enable the organization

to enhance connections between groups or divisions created by the structure. Whereas the structure develops the vertical organization by creating departments and groups with common objectives, lateral practices help the organization share information across these boundaries.

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

1. *Networks.* Networks can facilitate information sharing across department boundaries by exposing members of one group to those in another. Imagine making an acquaintance in another division at a training program or office party, then later needing a contact in that division to help solve a problem you are experiencing.
2. *Lateral processes.* A lateral process is a key organizational process that crosses major divisions. Consider a process such as new product design, which might involve employees from service, sales, marketing, operations, and research and development.
3. *Teams.* Cross-functional teams can be established in which members maintain relationships on the team as well as in their division. A product sales team, with representatives from each geography, can meet regularly to share best practices and solve problems they have in common related to selling a particular product.
4. *Integrative roles.* Integrative roles are formal positions with the responsibility to share information across the structure. A marketing liaison who works in customer support might gather all customer problems on a regular basis, meet with the marketing team, and then bring back information to customer support on upcoming product releases and marketing initiatives.
5. *Matrix structures.* We discussed the use of matrix structures above, but note that matrix structures are not only a structure but a lateral capability as well. By implementing structural relationships at multiple levels, the matrix structure attempts to compensate for maximizing one element of the structure (product) with another (geography). Thus, it formalizes information sharing across groups within the structure.

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

Tests of a Good Design

Given the complexities and tradeoffs involved in selecting any of these organizational structures, what should a change agent consider when evaluating

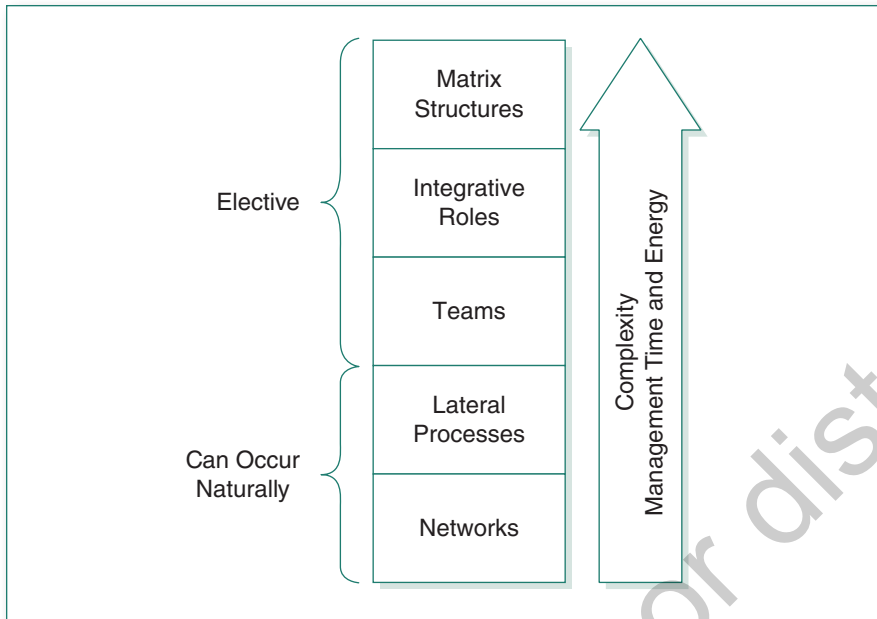


Figure 12.10 Continuum of Lateral Capability

SOURCE: Galbraith, J., Downey, D., & Kates, A. (2002). *Designing Dynamic Organizations: A Hands-On Guide for Leaders at All Levels*. New York, NY: AMACOM, p. 137. Published by AMACOM.

a proposed new design? Nadler and Tushman (1992) suggest that change agents evaluate the design’s ability to contribute to the strategy and task needs of the organization while appropriately fitting with its social and cultural environment. Strategic factors include a design that does the following:

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

Social and cultural factors include examining how

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

Goold and Campbell (2002) list nine tests of whether an organization is well designed, propositions that can be used to appraise a design to see whether it is appropriate. They write that the first four of these tests of structure are for “fit” with organizational goals, strategies, skills, and plans. The final five are tests of good

design, helping an organization achieve the right level of balance in processes, and may suggest modifications to the design to account for the particular challenges in any organization:

1. *The market advantage test.* Does the structure match how the organization intends to serve its markets? If the organization serves customer segments differently in different geographies, then having geographic divisions makes sense. No customer segment should be missed, and ideally no segment should be served by multiple divisions in order to provide maximum focus.
2. *The parenting advantage test.* Parent organizations should organize in ways that allow them to provide the most value to the rest of the organization. If innovation is a key value of the parent company, has it organized in ways that maximize innovation throughout the organization?
3. *The people test.* The design should support the skills and energy of the people in the organization. If the design requires that the head of engineering also manage finances, and finding a single replacement for those dual specialized skills is unlikely if the current leader were to leave, the design may be risky. In addition, the design may be risky if it will frustrate valuable employees who may lose status in the new structure.
4. *The feasibility test.* Will the design require a major cultural shift, such as a matrix design in a culture very comfortable with rules and hierarchy? Will information technology systems require drastic, expensive changes to report performance by customer industry versus geography?
5. *The specialist cultures test.* Some organizational units maintain different sub-cultures for good reasons. A group focused on the company's core products may think of innovation as a gradual series of incremental improvements to existing products, but a new products division may need rapid innovation for products that have a short life cycle. Combining R&D from both divisions may result in a dangerous culture clash.
6. *The difficult-links test.* How will divisions in the new structure develop links between them, and who will have authority when conflicts arise? If six divisions each have separate training functions, how will they coordinate the use of instructional resources such as classrooms and trainers?
7. *The redundant hierarchy test.* To what extent are layers of management necessary to provide focus, direction, or coordination for the units in their scope? If the purpose and value of a level of management is the same as the ones below it, it may be unnecessary.
8. *The accountability test.* Does the design streamline control for a single unit, or is authority—and accountability—diffused among different units? Will it encourage units that cannot collaborate to blame one another for poor performance?

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

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

Directional Interventions

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

Strategic Planning and Real-Time Strategic Change

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

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

Strategic planning involves making decisions about the organization’s purpose, products, vision, direction, and action plans. It also involves tradeoffs and choices about customers and markets, as well as introspective analysis about the organization’s competitive advantage and challenges in its current environment (Porter, 1996). Strategy also includes a discussion of mission (the purpose of the organization, including its products, markets, and customers) and goals and objectives (the targets, timelines, and methods by which the strategy will be translated into specific measurable activities). Strategies can be developed for almost any length of

time—organizations often develop annual strategies as well as those for 3 to 5 years, or even 10 years or more, depending on the organization and its industry. Rapidly changing technology organizations may choose to develop a short-term plan of only a few years, whereas more established and less changing industries may choose longer time horizons.

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

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

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

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

A Strategic Planning Case Study

Consider this example of a strategic planning process published by Beer and Eisenstat (1996). Alpha Technologies is a \$1.7 billion technology company with

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

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

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

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

The Integrated Strategic Change Process

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

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

1. *Strategic analysis.* The first step is to conduct a strategic analysis, which involves an assessment of the organization’s readiness for strategic change, an understanding of the organization’s values and priorities in creating a strategic plan, and a diagnosis of the organization’s current strengths, weaknesses, opportunities, and threats. It also includes a diagnosis of the organization’s strategic orientation, including mission, goals, and core processes.

2. *Strategy making.* The next step is to formulate the strategy. This involves the organization’s vision and strategic choices about the amount of change that will be proposed in the new strategy. Leaders analyze the organization’s environment, performance, and core competencies to determine whether minimal revision of the strategy is appropriate or whether it needs more radical change. Decisions are made about adapting or improving existing processes and about the future of the product portfolio, including areas in which to invest or reduce.

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

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

Real-Time Strategic Change

Real-time strategic change (R. W. Jacobs, 1994) is a related intervention that OD practitioners have developed that can increase the pace of change. It can be

applied to a number of topic areas that require commitment throughout the organization, including organizational members' ownership of and follow-through on implementing a strategic plan (Dannemiller & Jacobs, 1992). While it is not explicitly a strategy development process, it can help organizations implement the strategic plan by increasing awareness and commitment to the plan and its foundations. Philosophically, it has much in common with the search conference methodology that we will discuss later in this chapter, but the objectives are slightly different.

In real-time strategic change, participants work on present-day concerns, or "real business issues, such as cost containment, product quality, and increased responsiveness and sensitivity to the marketplace needs of customers" (Dannemiller & Jacobs, 1992, p. 484). It can involve hundreds of members from throughout the organization who work together to solve problems and discuss opportunities facing the entire organization, not just on those facing their own group or department. "Real time" in this process means "the simultaneous planning and implementation of individual, group, and organization-wide changes" (R. W. Jacobs, 1994, p. 21). "Strategic change" means that organizational members will work together on important issues in the organization's internal and external environment, including "customer and supplier needs, competitors' strategies, industry trends, market challenges and opportunities," and more (R. W. Jacobs, 1994, p. 22). Participants discuss changes to the entire organization, including the implications of those changes internally. By involving a large group of employees in such strategic decision making, both problems and additional strategic opportunities can be known earlier. It works especially well in strategic planning situations in which the following occurs (R. W. Jacobs, 1994):

1. A leadership team has decided that its organization needs a new strategic direction based on drivers for change either from inside or outside their own organization.
2. A draft strategy has been developed by a leadership team prior to the event.
3. The leadership group is open to feedback on the strategy by participants and to revising it based on this feedback.
4. The participants in this event make up the entire organization or a critical mass of people from a larger organization. (pp. 54–55)

Real-time strategic change events are generally structured over a 3-day period. The first day is focused on "building a common database of strategic information" (R. W. Jacobs, 1994, p. 56). Participants sit in "max-mix" groups (groups that represent a diverse set of functions, roles, and departments throughout the organization) and share an experience they have had in the organization over the past year that was exasperating or maddening, along with what the next year is expected to be like (both good and bad). Participants summarize the themes representing their current view of the organization and hear from leaders who talk honestly about their own views of the organization. With a commonly shared

present state, organizational members learn more about the strategic plan from top leaders, asking questions to clarify their understanding. Next, customers or content experts may give presentations to expand the group's perspective. Participants explicitly discuss changes that they need to make or that other functions need to make for the strategy to be successful. Through processes of individual group discussion, posting themes, and voting, organizational members are drawn back and forth between their own small-group contributions and the ideas and beliefs of the larger group. The conclusion of the event asks intact teams to work on action plans as a team to take feedback from other groups and to make decisions about how they can support the strategic plan, designing follow-up initiatives that they will commit to accomplishing. Jacobs (1994) states that the real-time strategic event combines dissatisfaction with a current state, a vision for the future, and action planning that can overcome resistance to change when a large group goes through the experience at the same time.

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

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

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

Scenario Planning

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

helps to “inform decision making, learn through challenging the currently held mental models, enable organizational learning, and enable organizational agility” (Chermack & Lynham, 2002, p. 373).

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

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

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

Instead, scenario planning “embraces uncertainty by identifying those unknowns that matter most in shaping the future of a focal issue” (Steil & Gibbons-Carr, 2005, p. 17). Scenario planning works best when there are a number of possible options and there is a high level of uncertainty about which options are likely to pan out. City planners may be able to develop contingency plans if this year’s rainfall amounts fail to fill the reservoir to capacity (rationing or price increases, for example). But will the city’s infrastructure be robust enough to support the city’s needs in 25 years? How will environmental conditions, upstream water usage, tax revenues, transportation, housing prices, interest rates, population increases or decreases, and water rights legislation all affect the future needs of the city? Moreover, which of those factors will be most important to take into consideration? While some data are likely to be available on many of these topics, it may not be possible to predict with certainty how those factors will interact to produce a single likely future state.

In a scenario planning process, detailed stories or narratives (scenarios) are developed that describe plausible future circumstances. “A scenario is a well-worked answer to the question: ‘What can conceivably happen?’ Or: ‘What would happen if . . . ?’” (Lindgren & Bandhold, 2003, p. 21). Scenarios contain enough detail to be conceivable and credible, and they should be written in a persuasive enough narrative that they help decision makers visualize the future and its impacts on the organization. Scenarios contain both dramatic imagination but also

thought-provoking analysis. In the city planning example above, planners might construct a scenario of what the city looks like 25 years from now, imagining a dramatic increase in the population due to the growth and expansion of three of the area's major employers, all high-tech companies. Interest rates have remained steady, and the area's moderate climate and attractive business environment have brought 25,000 new residents to the community, putting a great strain on the city's infrastructure. A second scenario may predict the mergers of the area's three employers, leading to job loss and residents moving away from the city to the south metro area where the employment climate is stable, implying that the city's water needs will also remain stable, providing an opportunity to sell excess capacity to surrounding communities. The two scenarios describe very different future states but also the conditions to be monitored that will affect the need to take action.

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

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

2. *Laying the environmental-analysis foundation.* Group members gather quantitative data about facts and trends as well as qualitative data about views of the future from organizational members. At this stage, the group explores external factors such as demographic trends, social and environmental patterns, and other economic, political, and technological concerns.

3. *Creating the scenarios.* The factors discussed earlier are now analyzed and compared for their predictability and influence on the organization. Three to five story lines or scenarios are written that capture the majority of the extreme future alternatives. A table compares the scenarios across several variables of concern.

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

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

- *Memorability.* Scenarios should be limited in number, and each should provide dramatic narrative for ease of recall.
- *Challenge.* The scenario should confront what the organization currently believes about future events.

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

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

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

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

Search Conferences and Future Search

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

that will bring about that future in a highly participative environment. We will concentrate below on how future search conferences work.

Features of a Future Search Conference

Size, Length, and Subject. A future search conference is a 2.5- to 3-day meeting (with a typical size of about 60 participants) to create action plans for an issue or concern that participants share. It is not a problem-solving conference, in the sense that it is not intended to get a group together to determine how to deal with the county's homeless population or how to reduce the cycle time for shipping of the company's most popular product (though those may be topics for action planning later). Instead, the topic is likely to be "a future search for ABC county" or "the future of ABC company," topics that tend to promote positive energy toward a desired future. It is also not a team-building meeting where members negotiate roles or work processes.

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

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

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

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

Day 1 (Afternoon)

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

Day 2 (Morning)

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

Day 2 (Afternoon)

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

Day 3

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

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

Summary

In this chapter, we have discussed a number of organizationwide intervention techniques directed at changing the character and performance of whole systems. In this category of interventions, changes have been made in recent years to design interventions that involve a broad number and type of stakeholders, “getting the whole system in the room” to encourage increased participation and commitment to organizational change. This has been true whether the target is a single strategic

planning session in one organization or a search conference involving thousands of citizens in multiple nations. Because of their subject matter and magnitude, large-scale interventions can be among the most difficult to execute effectively. However, if success in the contemporary organizational environment means being successful at large-scale change, such interventions are likely to be the hallmark of any successful organization. In the next chapter, we will continue our discussion of whole organization interventions.

Questions for Discussion

1. Organizational culture can be an instructive but also an elusive concept. Think about an organization you know well: perhaps a university environment, or even this course as an organization. How would you describe its culture to an outsider? Compare that organization with another: How do the two differ on such dimensions as physical space, language use, and underlying assumptions and values? Which culture type best describes these organizations?
2. Do you think that organizational culture can be changed? Why or why not?
3. Reflect on the structure of an organization to which you belong. Which type of structure outlined in Chapter 12 best describes that organization? In your experience, what are the advantages and disadvantages of that structure? Would another structure have fit the organization better? Why or why not?

For Further Reading

Large-Group Interventions

Bunker, B. B., & Alban, B. T. (1997). *Large group interventions: Engaging the whole system for rapid change*. San Francisco, CA: Jossey-Bass.

Mohrman, A. M., Jr., Mohrman, S. A., Ledford, G. E., Jr., Cummings, T. G., Lawler, E. E., III, & associates (Eds.). (1989). *Large-scale organizational change*. San Francisco, CA: Jossey-Bass.

Organizational Culture

Cameron, K. S., & Quinn, R. E. (2006). *Diagnosing and changing organizational culture: Based on the competing values framework* (Rev. ed.). San Francisco, CA: Jossey-Bass.

Schein, E. H. (2004). *Organizational culture and leadership* (3rd ed.). San Francisco, CA: Jossey-Bass.

Organization Design and Structure

- Galbraith, J. R. (1995). *Designing organizations: An executive briefing on strategy, structure, and process*. San Francisco, CA: Jossey-Bass.
- Galbraith, J., Downey, D., & Kates, A. (2002). *Designing dynamic organizations: A hands-on guide for leaders at all levels*. New York, NY: AMACOM.
- Kates, A., & Galbraith, J. R. (2007). *Designing your organization: Using the star model to solve 5 critical design challenges*. San Francisco, CA: Jossey-Bass.
- Kesler, G., & Kates, A. (2011). *Leading organization design*. San Francisco, CA: Jossey-Bass.

Strategic Planning and Real-Time Strategic Change

- Jacobs, R. W. (1994). *Real time strategic change*. San Francisco, CA: Berrett-Koehler.
- Worley, C. G., Hitchin, D. E., & Ross, W. L. (1996). *Integrated strategic change: How OD builds competitive advantage*. Reading, MA: Addison-Wesley.

Scenario Planning

- Ralston, B., & Wilson, I. (2006). *The scenario planning handbook*. Mason, OH: Texere.
- Schwartz, P. (1996). *The art of the long view*. New York, NY: Doubleday.

Search Conferences and Future Search

- Emery, M., & Purser, R. E. (1996). *The search conference: A powerful method for planning organizational change and community action*. San Francisco, CA: Jossey-Bass.
- Future Search: www.futuresearch.net
- Weisbord, M. R., & Janoff, S. (2000). *Future search: An action guide to finding common ground in organizations and communities* (2nd ed.). San Francisco, CA: Berrett-Koehler.

Exercise 6: Whole Organization Intervention (Organization Design)

In this chapter you learned about the star model of organization design. In this exercise you will practice applying those concepts to a fictional organization.

ProRunnerGear.com is an online and specialty retailer of high-end running shoes, apparel, and accessories for the professional runner, competitive runners (e.g., high school, college track), and advanced recreational runners. The company aims to be the first choice for the running athlete by offering a wide variety of innovative products to meet its customers' needs. It may not be the cheapest running store, but it offers exceptional customer service and stocks products that cannot be found elsewhere. It has a rapid product delivery timeframe and offers an easy and flexible return policy. Competitors include other online retailers, specialty running stores, and "big box" retailers for some products.

1. Create alternative organizational charts for ProRunnerGear.com based on one of the following structure types (note that you will need to make assumptions about the size or location of the organization as you do this):
 - a. Functional structure
 - b. Geographic structure
 - c. Customer structure
 - d. Matrix structure
2. Identify the advantages and disadvantages of the structure you created.
3. How might the different departments you created interact with one another? What lateral capabilities might be needed to help these groups connect and share information? Explain which of these lateral capabilities you would incorporate into your design and why:
 - a. Networks
 - b. Lateral processes
 - c. Teams
 - d. Integrative roles
4. Imagine that ProRunnerGear.com decided to transition to a different structure type. What do you think would be the greatest challenge for it in doing so?

Case Study 6: Reorganizing Human Resources at ASP Software

Read the ASP Software case (Anderson, 2005a) and consider the following questions:

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

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

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

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

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

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

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

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

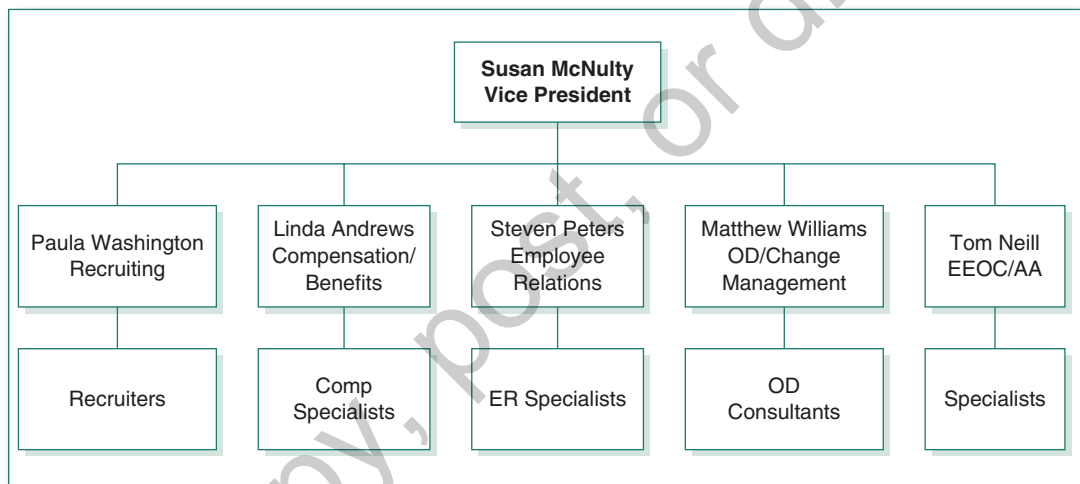
Susan continued. "So, with this new focus on teams, it seemed important to our change team that we conduct a team-building activity. I was hoping that maybe we

could meet in person and I could describe our model and we could talk about how you might be able to help us? Say, Tuesday at 2:30?"

"That sounds fine. I know right where your headquarters are located. Should I stop in the lobby and ask for you?" Nathan asked.

"That's fine. I'll see you then."

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



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

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

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

"So you said that you're changing models? Can you tell me what that means?" Nathan inquired.

"Sure." She handed Nathan an organizational chart.

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

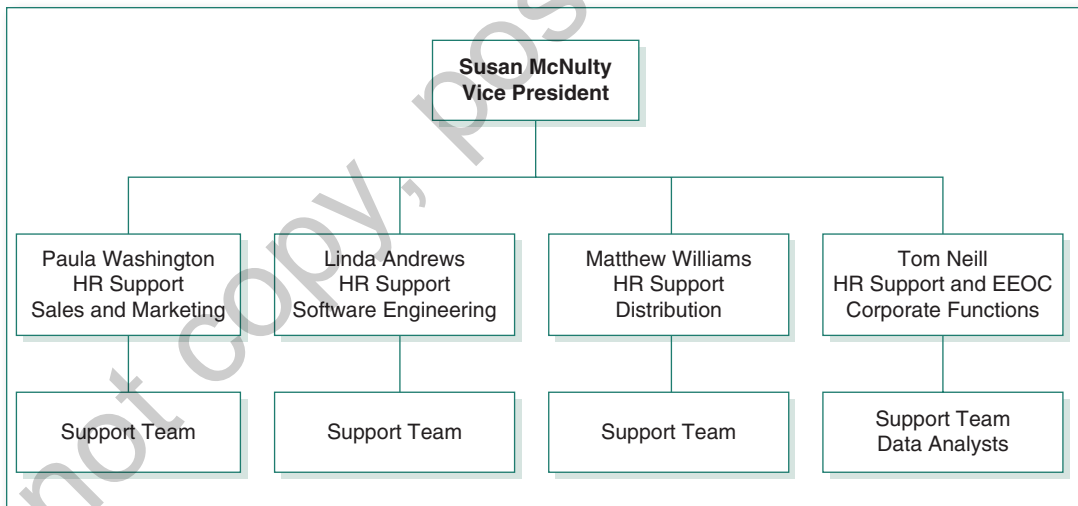
"That sounds like a common organizational structure for a human resources department, in my experience," Nathan said. "What prompted a change?"

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

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

"That sounds like a common complaint," Nathan said. "What kinds of changes are you going to make?"

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



"Has this been announced formally?" Nathan asked.

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

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

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

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

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

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

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

"Have the employee relations specialists ever done recruiting before?" Nathan inquired.

"One or two used to do that in a previous company. But most of them haven't, so they will probably need some training initially. I'm willing to let them have that time to adjust and learn," Susan said.

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

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

"Tell me about the relationship that Steven has had with his peers," Nathan inquired.

"Steven has been very popular as a team member and as a leader in his own group, there's no question. I don't think there are any issues there." Susan shook her head. "But it will be a slight change to those who don't know him well, like the recruiters or the compensation specialists. It might be hard for his former team members to relate to him in a different way. But Steven is popular and he projects a very pleasant charisma, so I know he'll quickly take over the leadership position."

"What measures of success are you looking for?" Nathan asked.

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

"How about for my work—are there any specific outcomes you're looking for?" Nathan wondered.

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

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

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

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

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

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

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

SOURCE: Reprinted from *Case Studies in Organizational Communication*, Second Edition, pages 167–175, edited by J. Keyton & P. Shockley-Zalabak. Copyright © 2006 Oxford University Press.

Do not copy, post, or distribute