The Evolution of Organizational Development

within the Rebuilding Communities Initiative

The Annie E. Casey Foundation

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Preface

In my work with the Management Assistance Group (MAG), Washington, D.C., I served as a technical assistance provider, helping the groups involved with the Annie E. Casey Foundation's Rebuilding Communities Initiative to address organizational development issues. It has been obvious for some time that we are living in an age of rapid growth and accelerating change, an age of new discoveries, new theories and methods, new problems and solutions. This increase in life's pace and complexity has produced abundant information and knowledge, yet wisdom is scarce.

We must find ways to improve our ability to decide quickly and accurately what we really want and need. Furthermore, we must learn how to make these kinds of decisions and implement them in collaboration with others who are affected by them. These considerations raise questions about the goals and purpose of human and organizational development and training. One purpose of this paper is to explore some of these questions and suggest some tentative answers. Another is to review some specific methods that experience has proven to be effective. Yet another is to share the deepening individual and organizational wisdom of a national community rebuilding initiative.

— **William "Bill" Link**

This monograph is a condensed version of a longer papaer on the evolution of organizational development within the Rebuilding Communities Initiative. The full document is a tool for community-building practitioners, technical assistance providers, funders, and others who are working to build the capacity of community-based organizations engaged in comprehensive community revitalization.

The full document also discusses the value of an assessment and feedback approach to organizational development, key areas for assessment, information-gathering methods, myths about organizational development, and more. Visit our Web site at www.aecf.org to download the full version of The Evolution of Organizational Development within the Rebuilding Communities Initiative.

Introduction to the Rebuilding Communities Initiative

Within the community development movement, organizational development (OD) has been called many things, including technical assistance, capacity building, leadership development, institutional strengthening, and management assistance. When The Annie E. Casey Foundation (AECF) launched the organizational development component of the Rebuilding Communities Initiative[1] (RCI), those engaged in the work shared the same goal for RCI grantee organizations—to support and strengthen the groups' inner workings so they might become more effective and ultimately better able to serve those their communities.

Once the Management Assistance Group (MAG) began work with RCI grantees, the organizational development services provided to the grantees came from many sources, including independent consultants and consulting firms, academic centers, foundation-administered programs and corporations providing in-house expertise, membership societies, professional associations, and other collaborative projects. This arrangement offered grantees a range of expertise in such areas as self-help, peer learning, training, facilitated exploration, and hands-on implementation. In addition, MAG provided technical assistance in many other forms, such as financial management, planning (including business plans, strategic planning, program planning, and feasibility studies), fund development, professional development, executive search, operational systems, staff restructuring, personnel policies, and administration. The list continues with public relations and marketing, technology and retooling, facilities management, collaborations and mergers, legal help in specialized issues, evaluations, program design, community organizing, and needs assessment.

Despite the buzz about "capacity building" and supporting the nonprofit "infrastructure," MAG has decided to stay with "organizational development" and use an existing continuum to define the role of OD consultant, particularly in the consultation services for RCI grantees. The existing continuum mandates that the OD consultant execute the following functions:

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[1] For a description of RCI, see appendix. For more thorough information on RCI, visit www.aecf.org/rci.

- Anticipate unpredictable, emerging implementation issues and deal effectively with planning and implementing complex systemic changes.
- Implement changes in an organization's culture, such as transforming from a technocratic or bureaucratic culture to one that is participative, team-based, and grantee-oriented.
- Formulate an organization's core mission and strategic plans to bring all elements and operations of the organization into alignment.
- Redesign an organization's structure to enhance its effectiveness (for example, to flatten it, make it laterally oriented, or make it transparent and open to transactions for both internal and external stakeholders).
- Develop a strategy and processes for identifying, deploying, and using scarce organizational resources.
- Improve the level of cooperation and integration, or reduce the level of dysfunctional conflicts, among interdependent organizational subsystems and across vertical hierarchical levels.
- Design, install, and use mechanisms to accumulate, archive, manage, and disseminate the organization's collective "lessons learned," enabling the grantee to become a "learning organization."
- Coach and provide other pertinent developmental experiences for managers who must adapt their behaviors to bring them into alignment with and support the purposes of their organizations' change initiatives.
- Deal with the human side of mergers, acquisitions, and strategic alliances and their aftermath, including restructuring and downsizing, and helping management to develop a sense of renewal among remaining employees.
- Recognize an organization's core competencies and design and use knowledge-based organizations.
- Use a total systems approach to operate and transform an organization's businesses simultaneously.
- Learn from the metaphors provided by chaos and complexity theory.
- Convene, deploy, and manage temporary project organizations effectively.
- Appreciate the need to develop effective leadership skills in an organization that operates in a volatile marketplace.
- Enhance appreciation of the challenges and implications of full-scale collaboration among the grantee community.

MAG operated on the fundamental assumption that most leaders and members of grantee organizations already had the technical skills and content information they needed to deal with these issues. Therefore, rather than solving the grantee's problems, MAG worked collaboratively with the organization's leaders and members, helping them to identify, clarify, prioritize, and deal with complex organizational issues. In other words, MAG's services were most appropriate when the RCI grantee organization's management wanted to achieve a set of specific results and enhance internal capabilities for dealing effectively with similar issues in the future.

Traditionally, MAG consultants working within RCI were seen as "process" experts, rather than as content experts. However, within RCI, situations in which grantees required assistance in both content and process occurred with surprising frequency. As a result, MAG partnered with trainers/educators and "techsperts," such as Strategic Interventions, Metis, and local coaches, in providing integrated, multidisciplinary consultative services. Because MAG consultants typically are skilled in creating opportunities that actively involve organization members, they were well suited for any effort that depended on members' commitment to action plans. In addition, MAG's highly interactive and didactic methods are essential in transferring skills and knowledge to organization members—thereby empowering members while reducing their dependence on MAG or other consultants. This strategy allowed MAG to make customized interventions that helped RCI grantees to define their own needs, identify practitioners with a good mix of experience and chemistry, and acquire sufficient funding to pursue a realistic approach to making changes. It also enabled the grantees to define their own critical challenges or deficiencies at a distance from AECF—the funder.

Through its many years of experience, MAG has determined that customized intervention is one of the best OD strategies, which does not mean, however, that it is not without risk. In the beginning of MAG's relationship with RCI grantees, it became abundantly clear that many of them did not know what they needed, what type of services could best address their needs, or how to use outside consultants or resources effectively. In addition, most grantees tended to view the MAG consultant as a representative of AECF, not as their own resource. MAG's perceived connection to the funder probably weakened the RCI grantee organization's ability to supervise MAG and other consultants to make them accountable to the grantee organization. Therefore, one of MAG's initial responsibilities was to help RCI grantees become informed consumer recipients of capacity-building services by helping them to understand the need to investigate and diagnose their needs.

This was an extremely important tactic because it put the RCI grantee in the so-called driver's seat, rather than allowing the organization to function as a passenger in a scheme that it neither designed nor established a desired outcome for. In the end, this strategy effectively assured organization members that the issues to be tackled in the capacity-building effort were addressed and that the members had selected providers that would guide the grantee organization to more efficient operation. In this manner, the grantee organization became more vested in achieving results—no matter how difficult the process of change was under certain circumstances. Meanwhile, the consultant was viewed as a vital resource in the effort.

This success notwithstanding, MAG was met with some initial misgivings by most RCI grantee stakeholders. In many cases, RCI clients recalled disappointing experiences with other so-called consultants, which caused them to be skeptical. Of course, this adversely affected MAG's initial marketing efforts and the effectiveness of its OD strategy. Specifically, in some cases where boards, executives, and managers were accustomed to working with "techsperts," they may have misunderstood attempts to involve and collaborate with them. For example, some grantees took suggestions to apply OD processes and methods as indications that MAG thought they lacked competence or that MAG was attempting to avoid personal responsibility or extend its contract.

In other cases, where management was most familiar with the "extra-pair-of-hands consulting" style, they may have seen OD efforts to stimulate high levels of participation by all involved parties as irrelevant at best, or insubordination at worst. Early on in the initiative, almost all grantees confused OD consultation with training/educational interventions and believed that OD consultants should achieve their goals by conducting a series of conveniently scheduled and budgeted workshops or seminars.

> ***MAG's highly interactive and didactic methods are essential in transferring skills and knowledge to organization members—thereby empowering members while reducing their dependence on MAG or other consultants.***

Approaches to Organizational Development

MAG used a variety of different approaches in its organizational development work with RCI grantees. For example, MAG's broad organizational approaches included the use of systems theory[2] in organizational design, organizational intervention and change, formal leadership style, management development, information and related flows, and combining the formal and informal organization.

In addition, MAG used laboratory training, team building, organizational confrontation meetings, improving interdepartmental relationships, and inducing internal growth and change. To ensure the success of these approaches, efforts were made to work with the grantee organization as a total system while helping it to develop the ability to handle its own development in the future. It was also important that organizational development changes mesh with the grantee's organizational improvement approaches.

Broad Organizational Approaches

Such factors as organizational design, informational flow analysis, task forces and temporary groups, and levels of organizational intervention and chance were used in the five integrated approaches listed here.

1. **Use of "Systems Theory" in Organizational Design.** Each of the RCI grantees needed to be carefully designed to fit its environment and technology. It was obvious to MAG that there was no one best way to design an organization as a total system. For example, an organizational structure and design that fit an RCI grantee whose primary business was building and selling houses (stable environment), had to be different from the design for a RCI grantee that coordinated, convened, and organized neighborhoods to challenge community issues (unstable environment). Therefore, MAG was always faced with differentiation and integration within specific RCI grantees that had to be modified to fit the grantee's internal and external environment.

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[1] Systems theory posits that organizations exist and interact within a larger environment. Organizations acquire resources (money, technology, people) from the larger environment as inputs and transform them into products or services that are returned to the environment as outputs. In the case of RCI grantees, this transformation from inputs to outputs is affected by the organizations' structures, policies, and practices, and by the behaviors of their members. For more on systems theory, see the longer version of this paper at www.aecf.org/rci.

The most difficult aspect of redesigning structures among the RCI grantee organizations was getting those in power to give up the concept of line and staff, which was obsolete for a systems approach. Indeed, the traditional line-staff organization was reversed in grantee organizations because the "real" decisions are made most frequently by supervisors and workers, while executive director, deputies, and department heads serve primarily to provide resources to the staff.

2. **Use of Systems Theory in Information and Related Flows.** MAG found that, in some of the RCI grantee organizations, using a systems approach to improve information flow might have contributed to the redesign of the organization. Although major organizational improvements had resulted from the use of models and computers within particular departments of the grantee, the results had been disappointing, especially when such approaches were applied across departments and organizations.

One major difficulty was that grantees rarely analyzed their information and related flows carefully. In one case, and as a result of working with another consulting firm contracted by AECF to provide technical assistance in management information systems, the RCI grantee reorganized itself to fit the needed information and resource flow. The most important factor in this reorganization effort was that superficially, at least, the RCI grantee organization looked much the same as it had before. In reality, however, it had shifted from an authority-centered organization to a systems-centered organization. Reorganization also caused major adjustments in how functions were grouped within departments and in the daily working arrangements among departments.

3. **Use of Systems Theory to Combine the Formal and Informal Organization.** MAG determined that this approach was less effective in the more stable, bureaucratic RCI grantee organizations than in their less stable, non-programmable counterparts. The use of formal structures was called the "decision center" approach, which emphasized redesigning the organization to improve the interrelatedness of the formal, flow, and human perspectives. The following were necessary when MAG utilized the "decision center" approach:

Determine natural work units. First, the workflow had to be analyzed to identify the interrelatedness and interdependence of work tasks and units, irrespective of the existing "formal" organizational structure. Such "natural" work units were grouped together within the formal structure to capitalize on the fact that certain segments of the RCI grantee's work units were more closely related than others.

Develop work team "decision centers." Once natural work units were identified, the members of those groups were brought together to form new, natural

work teams. The teams consisted of six to 15 members, depending on the work unit, the technology, and other situational constraints. In workforce development efforts, for example, such a decision center consisted of highly interrelated task groups for the intake, counseling, job training, job development, job placement, and job retention of a particular community resident. In purchasing, such a work team, or decision center, consisted of those involved with purchasing, scheduling, inventory, control, and expediting for a particular service needed by an RCI grantee neighborhood.

Individual interaction and decision-making responsibility within the decision center was maximized within the constraints of the situation. For example, the decision center may not have had the option of planting "X" number of bushes and "Y" number of trees in a specific neighborhood during the month, as part of the RCI grantee community beautification program. However, it did have the opportunity to determine its own daily schedule. Similarly, individuals within the decision center were given the opportunity to "grow into" as much responsibility, challenge, and discretion as they were capable of handling; at the same time, MAG thought it wise to leave room to "back off" if the process moved too rapidly.

Provide for rapid communication flow. The flow of communication and information was internal and external to the decision center. Rapid internal communications facilitated accomplishments: work was done better when people knew what they were doing and why; when there was frequent and open interchange of ideas; when feedback was nonpunitive; and when group members trusted one another and the accuracy of their information. For instance, in a human services decision center, team members' interaction was facilitated by making sure that members working on one stage of intake were close enough geographically to those working on other stages of human services development so mistakes could be detected quickly and corrected through feedback.

In addition, data and solutions were generated in common as part of an overall effort to avoid group conflict. Moreover, proper external communication was critical to this process because it allowed group members to get the information they needed how and when they needed it. MAG had determined that before decision centers were established information went to the wrong person for the wrong reason too often —a situation that needed to be rectified.

4. **Greater Use of Task Forces and Temporary Groups.** Formal and informal organizations were combined in one RCI grantee organization (through the decision center approach) that remained a relatively flexible part of the formal organization design. MAG persuaded the RCI grantee to make greater use of task forces or temporary groups to handle a specific problem or problems. MAG noted that the growing number of such terms as "product,"

"deliverable," " and "project managers" among RCI grantees illustrates the increasing use of such temporary groups.

Such terms seemed to be used most frequently by grantees with relatively flexible environments, although their use in stable organizations increased as well, given the change in the external business environment. The accelerating pace of change required much more extensive use of such temporary groups, frequently under the leadership of a program or product or project manager. MAG predicted that the growing use of such temporary groups and task forces would increase, especially in RCI grantee organizations that were undergoing rapid change or existed in an uncertain or unclear environment.

MAG observed that using temporary groups or task forces had several important advantages:

Greater use of the organization's human resources. When the task force members were chosen carefully, they represented the resources necessary to do the job. For example, one of the MAG consultants was working with a grantee using such an approach for special projects. There was a chairman, or "integrator," for each such project or program, and members of the task force represented key areas of the organization involved with the project or program. A particular group might consist of community organizers, housing specialists, substance abuse treatment specialists, administrators, financial specialists, workforce development specialists, family services specialists, etc. When the task force met, the "integrator" reported on the status of the project, and, as problems arose and were identified, specific individuals were assigned to begin work on them.

Greater inclusion of the personnel involved. Involvement of individual members of a temporary team was usually extremely high. Their motivation came from the authority of the task rather than from the authority of the boss. MAG observed that, in general, temporary team members worked harder and put in longer hours than they did on their regular jobs.

Greater ability to innovate and consider new approaches. More stable work groups reflected a greater need to maintain the status quo, while temporary task forces accepted new, innovative approaches more readily.

Greater impact on the major, more permanent organization. Bringing together representatives from various parts of the organization increased the likelihood that the solutions and recommendations arrived at by the temporary group would be accepted by the larger organization. The reason for this was that the proponents of the change or new approach acted as "ambassadors" for the change and, possibly, were more effective in combating the status quo. For example, a transition monitoring team (TMT) was assigned to consider a specific prob-

lem at a particular RCI grantee site. Representatives from all parts of the organization came together, including some who had been the strongest proponents of the status quo. During its deliberations, as a temporary group, the TMT consulted with a number of people at the RCI site. After it had formulated its recommendations, the TMT held a public training session at a staff development retreat that included open discussion of the problems and the rationale behind the TMT's recommendations. As a result, changes that the larger organization had bitterly resisted for a number of years took place within three months.

Increased communication and information flow. MAG observed that when the task forces were constituted and used properly, the lateral flow of information was increased greatly. Early identification of problems that had to be solved to ensure the project's successful completion was made possible by using a task force whose members came from every key area of the organization.

5. **Use of Systems Theory in Organizational Interventions and Change.** MAG used five intervention strategies along the dimension of depth, which were defined as the extent of overt emotional involvement of the individual in the change process:

Operations analysis. This level was concerned with the roles and functions to be performed within the organization rather than with individual values and motivation. This strategy for change focused on specifying tasks, resources, and power and defining jobs for individuals and groups in the organization. This first level of organizational development depended on the structural design of the grantee organization and could have been applied to any organization to determine if its structure fit the environment. If the grantee organization was designed properly to fit the environment, those involved seemed to get a great deal of job satisfaction and a feeling of competence. MAG noted that individuals were highly motivated and rewarded when the organizational tasks fit the doers, even if the grantee organization was highly bureaucratic in nature.

Evaluating and controlling individual performance and behavior. This second level dealt with the recruitment, selection, placement, training, coaching and counseling, and appraisal of individual RCI grantee organization employees. Here the focus was on observable performance rather than on the individual's personal characteristics. Attempts to bring change ran the gamut of external rewards and punishment and included salary increases, promotions, or organizational transfers. Also, some RCI grantees used management by objectives as a strategy for change. This strategy of intervention and organizational development was probably applicable to all of the RCI grantee organizations, although it was generally most useful in stable organizations where external rewards were very important. This strategy would have been wasted on

grantee organizations, for example, in which the community organizers had a high degree of freedom and autonomy.

Concern with work style. At this "depth," the concern was with work performance and the method, style, and processes by which work was achieved. This level included such human factors as how individual workers of RCI grantees did or did not delegate authority, the extent of their competition or collaboration with others on work-related issues, and how and if they communicated information to others.

Intervention at this level involved attempts to change work behavior and working relationships among individuals and/or groups, including the satisfaction or dissatisfaction that RCI organizational members derived from others' work behavior. Such intervention frequently required intergroup and interpersonal bargaining or negotiating and was likely to result in changes in formal or informal group norms regarding communication, cooperation, coordination, collaboration, competition, and methods for resolving or managing current and future conflicts. Such intervention was probably less effective in more rigid, bureaucratic structures than in more flexible environments in which rules, procedures, and policies were not rigidly defined and the informal organization played a greater part in integration and work flow.

Interpersonal relationships. The fourth level of overt emotional involvement focused on the attitudes, feelings, and perceptions that RCI grantee organization members had about one another—interpersonal characteristics, such as warmth or coldness toward one another and awareness and expression of such feelings as trust, suspicion, rejection, and acceptance. This was the first intervention level at which the personal feelings of RCI grantee organization members were the direct focus. Laboratory training and similar approaches were used at this level to bring these feelings into the open and work on them.

This strategy was most appropriate for highly differentiated RCI grantee organizations in which authority was decentralized, and the subsystems had a fair amount of latitude to deal rapidly and flexibly with frequent changes in the environment. This strategy was also effective with individuals who did not receive immediate feedback; worked on unique tasks that could not be evaluated easily in comparison to others; and who had job security, unique skills, or the opportunity to move easily from one organization to another.

Intrapersonal analysis. The deepest level of intervention was work with individuals on deeper values and concerns. This work, usually about one's identity, experience, and competence, helped to increase the range of experience an individual could recognize and begin to cope with. This intervention strategy occurred when the individual was not dependent on economic and bureaucratic pressure but, instead, sought more

internal and self-determined rewards to increase his or her sense of autonomy, competence, and self-worth.

MAG used two criteria to determine the most appropriate depth of intervention:

(1) intervene only at the level necessary to produce lasting solutions to the problems facing the individual and/or the RCI grantee organization, and (2) use a level of intervention strategy at which the resources and energy of the RCI grantee organization could be directed most appropriately to change and problem solving.

It appears that different styles of leadership were effective with different RCI grantee organizations and may have resulted in higher group performance under different conditions—the quality of leadership relationships, the amount and degree of task structure, and how powerful the leader was.

In general, MAG observed that task-oriented leadership was associated with high performance under extreme conditions, whereas relationship-oriented leadership was more effective under less than extreme conditions.

> ***MAG observed that when the task forces were constituted and used properly, the lateral flow of information was increased greatly.***

It must be noted, however, that although task-centered leadership was more effective, leadership styles varied. In high-producing human services delivery systems of RCI grantees that were regulated by rules, policies, licenses, regulations, laws, top managerial behavior was directed toward the accomplishing the task and enforcing specific rules and procedures. In high-producing resident engagement programs, on the other hand, leadership style was directed more toward the individual worker than enforcing depersonalized rules and procedures. Therefore, leadership styles emphasized coordinating and focusing the group's attention on the overall task to be performed.

Individualized Approaches

The two approaches described below focus more on the individual as an integrative factor in organizational development.

1. **Use of Systems Theory in Formal Leadership Style.** Generally, MAG only used this approach with board members, managers, and workers in the RCI grantee organization and not with groups of neighborhood residents. MAG defined leadership as an effort to influence or change the behavior of others to accomplish RCI organizational, individual, or personal goals. Indeed, the individual who led an employee strike may have been seen as a true leader, but that individual may have been working at cross- purposes to the stated formal goals of the RCI grantee organization. It was

clear, therefore, that there was both an overlap and a distinction between a manager (formal leader) and a leader (who may be either a formal or informal leader).

MAG noted a distinction among attempted, successful, and unsuccessful leadership. Attempted leadership, as the term implies, refers to an individual's efforts to influence the behavior of another person or group; such leadership was successful to the extent that the individual or group responded to this attempt. However, there was a difference between successful leadership and effective leadership. If the individual responded because the leader controlled rewards and punishments, the leader was successful; but if the individual was unable to attain his or her own goals, the leader was not effective. If the individual responded because that individual both wanted to and perceived that he or she would gain something, leadership was both successful and effective.

It became clear among the RCI grantees that the more influence and power leaders had, the more likely their leadership attempts would be successful. It was also clear that the more leaders' power was based on legitimacy, charisma, expertise, the power to reward, or the power to coerce, the greater their potential for successful leadership was. Moreover, ideal leaders were highly charismatic, occupied positions of legitimate authority, and had expert knowledge as well as a great deal of reward and coercive power. However, even though RCI managers at local sites might have lacked charismatic and expert power, their status as leaders was ensured by their position in the hierarchy of the RCI grantee organizations and their power to reward or punish subordinates.

Even though RCI managers had at their command power and, therefore, leadership potential, in some cases, they were still unable to bring about change. Ultimate control in the influence and change process rested with the "changee," no matter how much power a leader might possess. It was perhaps even more important, therefore, for followers within the RCI grantee organization, rather than the leader, to understand the problems and the rationale for the proposed change. If we accepted the notion that it was the followers who had the ultimate control, then they have to have made a well-reasoned decision about the leaders' desire for change. In other words, followers needed to understand the problem on their own perceptual terms, although those terms might have been very different from those of the leaders. For RCI leadership to be truly successful, RCI followers had to see something in it for them. In short, both leaders and followers had to be adept at the process of social exchange.

In conversations with some RCI grantee leaders and managers, it became clear that those who did not care as much about independence really did not want to be, nor were they, influenced by the opportunity to participate in decision-making. By contrast, persons who

wanted to be independent or who were more egalitarian were more highly motivated by the opportunity to participate in decision-making. It also appeared that people's personalities influenced their job choices. For example, human service workers (providers) and intake counselors preferred to be told the rules, policies, laws, and procedures; community organizers, however, became more involved and more highly motivated when they could participate in the decision-making process.

It appeared that the type of leadership required depended on the technology and structure of the RCI grantee organization. By observing the variables of technology, task, and structure, MAG concluded that supervision in RCI grantee organizations had to be flexible and decentralized. In RCI grantee organizations with many rules or known solutions, supervision needed to be formal and bureaucratic.

These observations clearly indicated a need for both a systems approach to leadership and a leadership style that varied according to the situation, especially for organizations that were experiencing transitional turbulence due to environmental change.

Even within particular subsystems of the RCI grantee organization, the situation may have varied and, therefore, required a different type of leadership style. For example, the manager of a fairly routine operation within a specific RCI grantee organization would prescribe well-defined rules for subordinates to follow. However, when a crisis occurred, the leader was likely to call together his or her staff for a conference, at which time the manager's behavior became more nondirective and permissive until the crisis had passed. The reverse of this procedure occurred in another group within a specific RCI grantee, whose leader under normal conditions was permissive and encouraged subordinates to participate, speak up, give suggestions, and offer criticism. However, when a specific action plan had been developed with the full participation of subordinates, the manager became more directive in accordance with the more structured situation.

The appropriateness of leadership style depended on the situation, although it may have been that people's preferred style might make them better managers in certain kinds of operations. In short, even within the RCI grantee organization, solving social problems by changing people was apparently less productive than accepting people and changing their circumstances instead. This was especially easy to do if managers were producers, which allowed grantees to assess their managers' style and capabilities carefully, before assigning them to a permanent position in the organization.

MAG believed that leadership style within an RCI grantee, when considered from a systems point of view, had to vary depending on the situation, the attitudes and feelings of subordinates, and the amount of power held by the leader. It appeared that the most successful man-

agers were good diagnosticians and valued a sense of inquiry. Leaders could be directive at one time and with one employee, but very nondirective at another time and with a different employee. Also, leaders could use very specific criteria in designing some jobs, but let a worker group design another set of jobs. In other words, leaders would be flexible and would be prepared to accept a variety of interpersonal relationships, patterns of authority, and psychological contracts.

Formal RCI grantee leaders had direct control over the psychological contract while allowing their leadership style to reflect the environmental and/or situational circumstances, the task, the subordinates' motivation, and the relationship among these variables. It seemed that since the managers' role was so critical, it may have been appropriate to consider putting either them in jobs that fit their style, or reconstructing the job to better fit the managers' style rather than trying to fit them to specific jobs.

2. **Use of Systems Theory in Management Development.** The role of local RCI managers was very important and complex. Their titles, jobs, roles, functions, positions (whatever, depending on the grantee and the funding representative) became even more complex as the RCI grantee organizations underwent transitional turbulence. As a result of environmental forces and such turbulence, managers' jobs became even more important and complicated. The practice of managing a local RCI looked less like an art and more a science—a profession. Someone had to establish the goals and the direction for RCI grantee organizations. Someone had to shape a productive enterprise out of human and material resources. Someone had to coordinate the various subsystems of the grantee organization. Someone had to solve, or facilitate solution of, the myriad problems facing grantee organizations; someone had to make certain that the work of the organization and each of its components contributed to the work and accomplishments of the local RCI.

This does not mean, of course, that managers of the local RCIs did all of this alone. Obviously, formal organizations had managers at all levels. Higher-level managers may have had to be more conceptually and entrepreneurially oriented, while those at the lower levels made the technical, how-to decisions.

After MAG looked at some of the demands made on the managers of local RCIs, managers were defined as people in the formal RCI organizations who had at least one other person working for them. Subordinates, in turn, could also be managers. MAG believed that those RCI managers who strived early on to reverse the workflow and who exercised influence much earlier in the workflow cycle had an easier time accomplishing the demands of the work.

The classic definition of manager (planning, organizing, staffing, directing, controlling the work of subordinates) was not adequate to explain RCI managers' true activities. Most of the work of RCI managers, for example, was spent with lateral rather than vertical contacts. One MAG consultant argued that RCI managers spent more than 50 percent of their time with people other than their subordinates. This consultant also believed that 25 percent or less of RCI managers' time was spent interacting with subordinates, whereas 75 percent of their time was spent working with other levels of management or associated staff or service groups, primarily laterally.

RCI managers were asked the following question, "In the course of a month how many different people, excluding subordinates, have you had work-related contact with, by phone (including voice mail), e-mail, letter or memo, or personal visitation." The answer alone, without any other data, indicated that the managers' role was highly complex and involved frequent interaction with a variety of people, primarily at the lateral level.

Observing the role of local RCI managers revealed that what they actually did in RCI grantee organizations was quite different from what they were "supposed" to be doing—that is, overseeing the activities of subordinates, etc. However, when the systems approach was applied to and considered in three perspectives—structural design, flow, and human—of RCI grantees simultaneously, it was easy to understand why managers' activities cut across all of the perspectives. In other words, local RCI managers' true function was to serve as the linking mechanism whereby balance was maintained among subsystems.

One MAG consultant believed that the formal job of local RCI managers could have been considered as offices and that RCI managers' expected behavior could have been defined as a "role." We then could have asked, "What other people are linked to these managers within the operating organization?" and "Who do these managers associate with in performing their organizational role?" Managers' work relationships with supervisors, subordinates, peers, vendors, residents, and technical assistance providers would have constituted the RCI managers' "role set."

By extending this concept, the organizational system would have become a set of overlapping and interlocking role sets both inside and outside the boundaries of RCI grantee organizations. A "role" thus would have been the sum total of expectations placed on the individual manager by supervisors, subordinates, peers, residents, vendors, and others, depending on the particular job.

Since most RCI managers had contact with so many different groups and people—each with a different set of expectations—they were able to integrate these expectations into a coherent psychological contract that enabled them to perform successfully. If, however, managers did not clearly understand what others expected, they suffered role ambi-

guity. On the other hand, if RCI managers understood these expectations and they conflicted with one another, then the managers were said to suffer "role conflict," which rendered them unable to satisfy some expectations.

The importance of role conflict and ambiguity are important dynamics to explore. Although both concepts have considerable influence on perceptions, attitudes, and behavior, most RCI grantee organizations needed to place greater emphasis on role ambiguity and less emphasis on role conflict. It became clear to MAG that role ambiguity linked formal organizational practices and leadership behavior to factors such as organizational effectiveness, job satisfaction, anxiety, and the tendency to leave the organization.

Therefore, actively reducing role ambiguity enhances organizational stability and personal satisfaction. In addition, role conflict and ambiguity caused severe stress, a condition that accounted for lost workdays, medical bills, absenteeism, loss of productivity, etc. MAG suggested to some RCI grantee organizations that perhaps some managerial roles caused greater stress than others. Since role ambiguity, conflict, and overload increase the stress under which managers function, MAG recommended that RCI grantee organizations identify the jobs with high stress potential and analyze both the job and the incumbent. In some cases this resulted in redesigning the recruiting, screening, selection, final hiring, training, and performance review processes. The job then was either redesigned to suit the manager or a new manager was hired. In either case, the goal was to ensure a better fit between individual managers and their role in the RCI grantee organization.

MAG observed that RCI managers reacted to role conflict and ambiguity and the resulting stress in several ways, all of which seemed to reduce effectiveness. In some cases they became too aggressive and made too many waves in their impatience to get the job done. Or they tried to resolve the conflict by withdrawing and trying to isolate themselves from the conflicting demands placed on them, for example, by taking longer lunch hours, missing or coming late to meetings, leaving work early, etc. Unfortunately, the existing structure in most RCI grantee organizations provided few mechanisms for resolving role conflict or role ambiguity.

After observing managerial role relationships and expectations, MAG suggested that the manager's job be separated into three distinct functions or categories of activity—participating in external workflow, leading, and monitoring the activities of others.

The Manager as a Participant in External Work Flow. As pointed out earlier, local RCI managers could have had hundreds of contacts with different people inside and outside the organization, frequently at the lateral, or peer, level. It was at this lateral level of interaction that managers spent most of their time. In these relationships with peers and with people outside the

organization, RCI managers were providing the connective tissue that helped to coordinate the grantee organization's activities. In these lateral relationships, managers' efforts were directed largely toward negotiations with other work groups that, in turn, made adjustments before local RCI managers could shift their attention elsewhere. The result was a continuously shifting process whereby the demands by any one manager were brought into line with those of other managers, each of whom, in turn, made compensating moves and adjustments. This never-ending cycle of securing new agreements, commitments, and assurances in response to the demands made by others resulted in a decision-making process characterized as a continuous and intricate process of brokerage within the open system.

For example, one RCI manager was trying to get better data to improve the design of a resident engagement plan so it was easier to determine how to help communities frame different agendas; concurrently, the RCI manager was pushing facilities management to get better equipment, participating in negotiations with the maintenance vendor to make repairs more quickly, attempting to ensure that the organization's purchasing people expedited the order for parts for the duplicating equipment so the next "toolbox meeting" could be scheduled, working with the transition monitoring team that was insisting on higher quality, fighting with the finance people to get better budget figures, trying to accommodate evaluators' requests for more samples to be used in the field, and working with community organizers to settle labor grievances. Each decision or negotiation affected other decisions and work groups—priorities changed constantly as a result of the ongoing decision-making process.

When MAG considered RCI managers as open subsystems, engaged in a series of role relationships and role expectations with other subsystems, all of which are also open, changing, and dynamic, it was easy to see why more than half of RCI managers' time was spent negotiating in lateral-level relationships. It should be noted as well that decisions were determined by both internal and external inputs. The results, or outputs, of managers' decision-making processes affected other subsystems, and as a result, both managers and other subsystems were forced to negotiate new plans and decisions. RCI managers are always striving to maintain some sort of balance among these shifting, ever-changing inputs, because the decision-making process is always geared toward satisfying as many people as possible rather than finding an optimal solution.

The Manager as a Leader. Typical local RCI site managers spend about 25 percent to 35 percent of their time working with subordinates. Their designation as managers automatically places them in the power structure of the formal system and establishes them as authority figures over people who are not managers. However, since the RCI management system is an open system, managers' interactions with

their subordinates were varied and reflected not only interactions and negotiations at the lateral level, but also similar activity with subordinates. Therefore, MAG discerned at least three different types of behavior that RCI managers engaged in with their subordinates:

- Leadership as direction. This portion of the RCI manager's job was described in the classic definition of a manager, that is, getting subordinates to respond to RCI managers' initiatives, actions, and directions. Through their position in the formal structure of the organization, RCI managers were truly directing, motivating, controlling, and coordinating subordinates' activities to meet organizational goals. However, when MAG considered RCI managers within a broader systems point of view, there were at least two other activities in which RCI managers engaged as leaders.
- Leadership as response to subordinates. RCI managers' decisions were influenced by interaction with subordinates. RCI managers not only told people what to do, they also responded to needs and expectations; they were not merely passive individuals, and they had requests of their own supervisors. For example, an RCI manager had to respond to a subordinate's suggestion that additional time was needed to perform a task. The RCI manager had to respond to the manager of community organizing, who had to respond to a subordinate, who complained of difficulty in getting mapping data from another part of the local RCI site.
- The manager as representative. When RCI manager/leaders were unable to handle a matter brought up by a subordinate, the leaders acted on behalf of that subordinate, which required the leaders to negotiate with their peers or their own superiors. Thus, RCI managers as representatives were dealing at both the vertical and lateral levels in response to initiation and inputs from their subordinates. For example, one RCI manager recommended pay increases for subordinates to his own boss, responded to complaints from his community organizers about slow delivery of mapping data by negotiating research, attempted to get parts for the duplicating machine from purchasing so the community organizers could produce the fliers needed for resident engagement, and negotiated for more space needed by the "toolbox coordinator" to accommodate an influx of new residents attending presentations about issues in the community.

The Manager as a Monitor. In a sense, this function overlapped considerably with the other two functions: participating in external workflow and overseeing the activities of subordinates. Here, however, managers developed formal or informal monitoring subsystems to determine how things were going—they were sensitive to possible sources of trouble and needed to decide whether they would intervene personally or ask others to do so. For example, a manager of youth services could not

wait until the day a field trip was scheduled to determine that the van used at the RCI site was to small to carry everyone to the site. The workforce development manager monitored intakes to determine how many people were requesting services for what purpose to determine whether to develop a larger referral network. In short, this RCI manager developed methods for detecting possible disturbances in the work system and criteria for signaling when these disturbances were significant. The RCI manager then developed corrective actions and was able to assess the effect of these actions. This recurring cycle of detection, assessment, and correction, called feedback, was used to predict what new approaches or changes might occur to which the organization would have to respond.

Using the systems approach clarified the concept that managers were a subsystem within the total system and that many role expectations were placed on them by other subsystems within the organization and by outside influences. MAG defined the manager's job as participating in external workflow, leading subordinates, and monitoring their work by developing positive and negative feedback approaches. Since most or more than half of managers' time was spent in work flow relationships, some more traditional approaches to the RCI manager's job needed to be revised. The concepts have been outlined below:

- "The parameters of the RCI manager's job can be bounded and compartmentalized into a job description." The inaccuracy of this belief was amply demonstrated; in actuality, the role relationships of managers, and the trading and negotiation they coordinate, made it impossible to compartmentalize the job. RCI managers were a subsystem interacting with and relating to with many other subsystems. In any given month, RCI managers had literally hundreds of contacts with a variety of different groups and individuals in an ever-changing set of relationships.
- "Managers take orders from one boss." In the traditional structural design perspective, a manager has only one immediate supervisor. However, by describing the RCI grantee organization in systems terms, it was evident that RCI managers were open subsystems interacting with other subsystems both within and outside the system, and that each of these subsystems influenced the behavior of individual managers. Thus, in a sense, each manager was "bossed" by each of the other people or groups that manager contacted—the manager's role was to adjust to and balance the many role expectations and demands.
- "Managers' authority is commensurate with their responsibility." This is one of the most cherished concepts of the classical management theorists. However, local RCI managers' jobs, or responsibilities, were to get a particular job done within their own subsystem, and this required continuous negotiations with other subsystems over which managers had no formal authority. Therefore, it was obvious that RCI managers' ability to fulfill individual responsibility came not from

their authority over other groups, but rather from skillful negotiating, adjusting, and persuading others.

- "Staff people have no real responsibility or authority." Traditionally, most writers on management have been concerned primarily with the concept of hierarchy, which tends to be stable. As a result, they developed a series of concepts postulating that the staff serves only an advisory function. The systems approach to work flow, however, may make the concept of line and staff obsolete: the finance manager in the RCI grantee organization may well have had more power and authority than the vice president for human services. By using a systems approach, however, MAG saw that each group, or subsystem, within the RCI grantee organization had a tremendous impact on all the other subsystems.
- "Managers spend most of their time with subordinates." As pointed out earlier, the traditional definition of a manager emphasizes planning, organizing, controlling, motivating, and directing relationships with subordinates. But as evidenced here, RCI managers did not spend the majority of their time with subordinates; rather, they spent most of their working time in internal and external lateral, workflow relationships.
- "Formal leadership is closely related to experience." Another fallacious belief is that formal leadership is closely associated with experience, and that the more experience leaders have, the better they will be as formal leaders.

Although there is widespread belief in the six concepts above, they are, at best, only half-truths, and their acceptance has led to a genuine misunderstanding of the local RCI manager's job. In the beginning of the initiative, most RCI managers felt extremely uncomfortable with the traditional definition of their job—it implied they were not doing their job because they were spending too much time with lateral, work flow relationships. As one very competent manager expressed it: "I got nothing done yesterday because I was all tied up in meetings. However, I feel great today. I had a staff meeting with my subordinates and got five e-mails written in between meetings." In other words, although this RCI manager was regarded as highly effective by others in the organization, he felt uncomfortable because he had to operate under several obsolete concepts, particularly "Managers spend most of their time with subordinates." Although this is always an unwritten rule, it has had an overly strong influence on how local RCI managers perceive their jobs.

The most valid concept of management depicts the RCI manager's role as a complicated, shifting set of relationships whereby decisions must continually be renegotiated. In the RCI culture, managers had multiple roles that required a great deal of interaction with many people at a variety of levels inside and outside of the RCI grantee organization.

Approaches to Training and Team Building

In addition to its broad and individualized approaches to organizational development, MAG used a variety of trainings to help RCI grantees with team building and development.

Laboratory Training

MAG used a series of laboratory trainings in its work with most of the RCI grantees. Laboratory training, sometimes called sensitivity or T-group training, was probably the most popular, yet most misunderstood, technique used in OD. Indeed, to some people, laboratory training was synonymous with OD. The term, "laboratory," was not chosen idly. MAG defined a training laboratory as a community dedicated to the stimulation and support of experimental learning and change. New patterns of behavior were invented and tested in a climate that supported change and protected participants, for the time being, from the consequences of innovative action. Unlike the employee training sessions that most RCI grantee members had experienced, which focused on increasing individual knowledge or skills in conformance with participants' job requirements, laboratory training sessions focused on group processes and group dynamics.

The groups were sometimes called "T-groups," an abbreviation for "training group." (Most organization development cases that reach print focus almost exclusively on the T-group as the basic strategy of intervention). A T-group is defined as a relatively unstructured group in which individuals participate as learners. Rather than being outside these individuals or removed from their immediate experience within the T-group, the learning data used were transactions among members—their own behavior in the group as they struggled to create a productive and viable organization and as they worked to stimulate and support one another's learning within that organization. However, it is extremely difficult to define laboratory training, as it is described by the cases that make it to print.

> ***A T-group is defined as a relatively unstructured group in which individuals participate as learners.***

In any case, as MAG progressed with most of the RCI grantees, it had to deal with the more vital issues such as the feelings and concerns of individuals. MAG noted that:

- Laboratories varied tremendously in goals, training design, delegate population, length, and setting.
- Laboratories attempted to provide a total and integrated learning experience for participants, which is one

reason why it is difficult to communicate what actually occurred.

- Laboratories served as an attempt to provide a learning experience that was, in part, emotional, and provided an opportunity for participants to explore the interdependence of emotional and intellectual learning.

The laboratory training MAG provided had three objectives:

1. To increase participants' interpersonal competence by helping them become more aware of their own feelings and emotions and those of others;
2. To promote a greater awareness of participants' own roles and the roles of others in the organization, to increase participants' willingness to collaborate, and to help increase their own organizational interpersonal competence; and
3. To assist the organization in doing a better job of diagnosing, defining, and working on organizational problems and in improving itself through the process of training groups rather than individuals.

Although it is difficult to describe what happened in a laboratory training session, there was usually a MAG trainer and a group of people who formed "stranger," "cousins," or "family" groups. In "stranger" groups, the participants either did not know or hardly knew each other at the beginning. "Cousins" groups consisted of people from the same organization who might have been acquainted with one another, but who did not usually work together. "Family" groups consisted of people who had direct working relationships with one another, for example, a boss and a group of his or her subordinates. Obviously, the approach differed considerably among RCI grantees depending on the type of laboratory used.

A typical laboratory training session for "strangers" included 10-15 participants and, at times, might have encompassed general theory sessions, designed exercises, or management games.

At the beginning of the training session, MAG trainers would announce that they were to serve as a resource to the group, and, after a brief introduction, the MAG trainers would lapse into silence. With this dilemma of leadership and agenda, it was then up to the group to work out its own way of proceeding. Whatever the group did then became the basic data for the learning experience. MAG trainers would intervene, as appropriate, but the nature and type of interventions varied greatly, depending on the nature and purpose of the laboratory. Most commonly, however, MAG trainers encouraged individuals to focus on and understand their own feelings and to "level" with one another about what was going on in the group. The emphasis was on the here and now rather than on anecdotes or back-home experiences. This emphasis on openness and leveling in a supportive and caring environment enabled the participants to gain more insight into their own and others' feelings and the mechanics of group dynamics and, thereby, to be more productive.

Most RCI grantee participants reacted positively to laboratory training sessions. Participants frequently expressed a heightened awareness of self and others, were able to listen more intently, accepted feedback about themselves and provided it to other group members, and seemed to feel less constrained by cultural norms around expressing and accepting a fuller range of emotions. Although laboratory sessions were brief, some participants were successful in achieving what well-known psychoanalyst Kurt Lewin calls unfreezing, experimentation, and refreezing of behavior patterns in rather significant ways. At times, participants were threatened or otherwise overwhelmed so much that they did not benefit fully from the T-group experience, and the causes could lie with their deep, unresolved problems.

There were many variations in T-group training, but most of the work done with the RCI grantees consisted of "micro" or "marathon" labs that lasted only a day or two. Laboratories can extend for two weeks or longer, but none of these was used with the RCI grantees.

The effectiveness of laboratory training appears to have been mixed. Although such training has potentially powerful effects on both the individual and the organization, these vary widely among individuals and situations. On the other hand, such training may well have positive value for the individual, but the assumption that T-group training is useful for organizations rests on shaky ground.

It also should be noted that usefulness for the organization is not necessarily the same as usefulness for the individual.

At one of the RCI grantee sites, the success of such laboratory-style organizational development work was initiated in a small unit and then expanded to the larger, more complex organization. The OD work was started at a very low level in the organization and, over an extended period, expanded to include middle managers to the top of the organization. The program design was a modified time series with observation periods following laboratory work. One of the most important aspects of this work is that organizational development was accomplished over time, starting with one component of the organization.

Although it appears that laboratory-style training can be a powerful tool for influencing behavior, transferring laboratory learning to daily organizational life is sometimes difficult, if not impossible, to achieve. Laboratories alone are an inadequate OD strategy, and other interventions are needed both before and after laboratory training.

MAG used laboratory training with RCI grantees primarily because it was very easy to convert it to "team development" and "team building" since laboratory training has always been an important forerunner of OD, and team building is still an important OD intervention.

Team Building

Much of managers' time at RCI grantee sites, as pointed out earlier, was spent working in groups or teams that can be either vertical, for example, a boss and his or her subordinates, or horizontal, for example, a task force working on a particular project. However, groups frequently are not as productive as they could be. RCI managers were often frustrated (and rightly so) because they felt they wasted so much time in meetings, time that could have been better spent helping a group become more productive.

To review briefly, two basic assumptions underlie team building and process observation. First, for teams to be more effective and productive, members need to coordinate and merge their efforts toward accomplishment of mutually acceptable work goals (group task). Second, the personal welfare and emotional needs of group members need to be met (group maintenance). If individuals' emotional needs are not met—if they are neglected or sacrificed—then the group's effectiveness is considerably diminished and, indeed, the group itself may not survive.

MAG observed that there were usually two dimensions in the RCI teams and groups. One was content—the topic of conversation, the agenda, etc.; the other was process—what was happening in the group, for example, who was talking to whom, how the members felt about the group and one another, and the kinds of subgroups, coalitions, and alliances that were formed.

MAG applied a number of different approaches to team building with the RCI grantees, all of which required a skilled process observer (MAG consultant) to increase the effectiveness of the group's task and maintenance roles. One approach was for the MAG consultant to interview each team member in advance to determine individual feelings, attitudes, and perceptions of the team's effectiveness. This was followed by a meeting, frequently away from the organization, where the consultant fed back the information, and the group spent its time working through the data, agreeing on basic problems, and setting priorities and action approaches to resolve the problems.

Another approach used with RCI grantee staff was for the team to come together and the members to discuss their roles (or jobs) as they perceived them, with each other member of the team feeling free to make contributions, suggestions, or comments. This form of role identification and clarification was frequently very helpful in clearing up misunderstandings and in making certain that team members knew and accepted both their own roles and those of the other team members. One of the MAG consultants, for example, attended a two–and-a-half-day meeting of the executive director and subordinates. The first item on the agenda was the mutual establishment of organization goals; the second item was to review each staff member's role, including that of top management. This portion of the meet-

ing required about two hours of discussion for each job before agreement was reached. Following this, the organization's objectives were redefined. The last item on the agenda was to list problems facing the organization, assign priorities to them, and agree on which subteams would work on each problem.

In addition to this method of team building, MAG consultants attended regular staff meetings. Here, they were process observers who watched and observed how the team went about accomplishing its group task and maintenance roles. Paying less attention to the content of the meeting, the MAG consultant focused on the process, considering such variables as group atmosphere and the degree of trust and openness. Another observation focused on task effectiveness, including the degree to which the group was working or "goofing off" and whether the talents and resources of the group were being used fully. Other feedback items included the amount, degree, and nature of participation, such as, how many members actually participated, the extent and degree to which people interrupted one another, etc. In other words, MAG consultants, as process observers, looked at how the group went about accomplishing its task and maintenance roles, both of which needed to be accomplished if the group was to be effective.

Either during or following the meeting, MAG consultants either shared feedback about what they observed or encouraged the group to give its own feedback. For example, in one feedback technique, group members were asked to respond anonymously to a questionnaire about their feelings toward the group, its openness, and the degree to which group goals were accomplished. After the questions had been scored and discussed within the group, it became apparent that the questionnaire was inadequate, so new questions were added. Such a process allowed the group to change its direction and agenda somewhat and become more productive.

MAG found that feedback, whether given directly to the entire group or to individual members, had to be supportive and non-threatening. The purpose of feedback was to help increase the effectiveness of the group and its individual members, so it was always positive in tone, although it was still sometimes hard for clients to accept. Additionally, feedback focused on specific behaviors rather than general observations. For example, it is always better to suggest to an individual that he or she frequently interrupts other speakers (behavioral characteristic), rather than suggesting that the individual "should get along better with people" (attitude).

Improving Interdepartmental or Intergroup Relationships

MAG found that planned conflict was necessary at times for highly differentiated, integrated organizations. Intergroup polarization and conflict could lead to the emergence of strong negative stereotypes. Thus, such attitudes as "it was their fault," "they are holding us up," or "we can't get any cooperation out of that group" caused some RCI grantees to become temporar-

ily unable to solve mutual problems and accomplish joint tasks.

The basic strategy MAG used for improving interdepartmental and intergroup relationships for some RCI sites was to foster group discussion about the antagonisms and misperceptions that existed and to determine whether the group members wanted to work on those problems. If the process was to be handled informally, the two groups were asked to meet and discuss their attitudes and perceptions openly. A process observer (MAG consultant or local coach) then helped each group come to a better understanding of the others' perceptions and attitudes and explore ways relationships could be improved.

A more fully developed, formalized approach to the problem at one of the RCI sites included the following steps:

- The two groups agreeing to work directly on improving mutual relationships.
- Each group writing down its perceptions of itself and the other group.
- The two groups being brought together again, and a representative from each presenting the perceptions obtained in the previous step. Only the two representatives were allowed to speak, since the primary objective was to ensure that the perceptions and attitudes were presented as accurately as possible and to avoid any defensiveness and hostility that could have arisen if the two groups were permitted to speak directly to each other.
- The two groups separating, each armed with four sets of documents—two representing their own group's perceptions of itself and the other group, and two representing the other group's perceptions of itself and the other group. At this point, a number of discrepancies, misperceptions, and misunderstandings between the two groups were revealed. The task of the group (almost always with the help of a MAG consultant or the local coach) was to analyze and review the reasons for the discrepancies. In other words, the process observer worked hard at getting one group to work at understanding how the other group could possibly have arrived at the perception it did, for example, "What actions on your part may have contributed to that set of perceptions? How did they get that way?" The emphasis was on problem solving rather than on defensiveness.
- The two groups being brought together again to share the discrepancies they had identified and their problem-solving analysis of the reasons for the discrepancies. Again, the focus was primarily on the behavior underlying the perceptions. At this point, either the formal representative spoke or the groups could talk directly to each other.
- If formal group representatives were used, allowing more open discussion between the two groups to reduce misperceptions and increase intergroup harmony.

This example was successful in getting mutually antagonistic groups, such as the youth department and the family services department workers, managers, and supervisors of one RCI grantee to become more cooperative with each other, thus considerably reducing organizational strife.

Organization Confrontation Meetings

MAG designed this approach to mobilize the resources of the entire organization to identify problems, set priorities and action targets, and begin working toward them. The confrontation meetings were particularly appropriate in situations where the organization was in stress—where, for example, top management was new, a major funder was lost, or the organization was expanding into a new or larger area of business. Organizationally, this kind of meeting was most appropriate when the top group was relatively cohesive, but there was a gap between the top and the rest of the organization.

Generally, the model involved only the managerial and professional people in the organization; however, technicians, clerical personnel, community organizers, and even neighborhood residents participating in governance of the RCI effort also benefited from this approach, which included the following steps:

STEP 1

A group meeting of all those involved was convened in an appropriate place. The reason for the meeting was discussed, and a task was assigned. Usually, the task was to identify problems with both the organization's effectiveness and the work environment it entailed.

STEP 2

Groups were set up consisting of members representing all different parts of the organization. Thus, each group could have one or more members from community organizing, housing development, family services, finance, purchasing, and sales. However, for obvious reasons, except for top management, subordinates could not be in the same group as their boss, and top management was sometimes in its own group. Groups varied from five to 15 members, depending on the circumstances, available meeting places, size of the organization, etc.

STEP 3

The groups were told, in emphatic terms, that they were to be honest and open and to work hard at identifying the problems they saw in the organization. They were also told that no one would be criticized for bringing up problems, and the groups would be judged on their ability to identify problems.

STEP 4

The groups had an hour or two to identify the problems facing the organization. Generally, MAG consultants and local coaches would go from group to group, encouraging them, again stressing they had

to be open about problem identification and, in general, assisting the groups with their task.

STEP 5

When the groups reconvened in a central meeting place, each one reported the problems it had identified and sometimes offered solutions. Each group heard the reports of all the others so a maximum amount of information was shared.

STEP 6

The master list of problems was then broken down into categories by either those present; the individual leading the session; and/or the manager and his staff. This process was necessary for eliminating overlap and duplication and separating the problems according to functional or other appropriate areas.

STEP 7

Once the problems had been categorized, they were divided up and given to problem-solving groups whose composition differed from that of the original problem-identification groups. For example, all community organizing problems were handled by people involved in community organizing. Or, since the systems approach emphasizes the interrelatedness of organizational problems, task forces representing appropriate cross-sections of the organization sometimes were used. Depending on circumstances in the organization, either team leaders were assigned or the task force selected its own leader.

STEP 8

Each group was asked to establish priorities among the problems given to it, to develop a tactical plan of action for solving the problems, and to determine an approximate timetable for completing this phase of the process.

STEP 9

Each group then reported its list of priorities and tactical plan of action to the larger group, which, in turn, could have made suggestions about priorities, timetables, etc.

STEP 10

Schedules were established for periodic (usually monthly) follow-up meetings. At these sessions, the leader of each team reported to the other team leaders or the group as a whole on his or her group's progress and plans for future action. Formal establishment of such follow-up meetings ensured both continuing action and modification of priorities and timetables as needed.

Although the first seven steps could have been accomplished within a very short period (e.g., one day), it was preferable to spread the process out over a longer period of time; for example, steps 1 through 4 in one afternoon; steps 5, 6, and 7 several days later; and steps 8 and 9 the following week. This

allowed the problem-solving groups more time to categorize problems, make decisions about group composition, and develop action plans.

Despite the many variations possible with this approach, in almost every case, it appeared to have been quite dramatic in mobilizing the total resources of the organization for problem identification and solution.

Introducing Internal Growth and Change Ability

Because OD is still a relatively new field of applied behavioral science, much of the technology was brought to the RCI grantees by external consultants. Although MAG consultants were mostly involved with helping RCI grantees to respond more effectively to current problems, the transmission of the MAG consultants' knowledge and skills to key members of the organization, especially those who could be called "internal consultants" or "change agents," was one of MAG's major goals.

One of MAG's underlying values was to help the RCI grantee organizations become more self-sufficient. It was clear that the grantees appreciated MAG's diagnostic and intervention skills in solving current problems. However, it was obvious the grantees either would need repeated help in the future or would soon return to their previous, less effective state unless the board and managers of the grantee organization were encouraged to acquire the tools and skills needed to sustain the change efforts. MAG made a considered and deliberate effort to make its services unnecessary; it was always acutely aware that if the key stakeholders in the grantee organization did not invest in one of the long-term objectives of organizational development—self-renewal—that objective would not be met.

Changing the culture, workflow, and dynamics of a large organization requires several years. Most management and organization development experts suggest that five years is a reasonable period for implementing a program of planned change in a large organization, and their approaches call for development of large numbers of internal change-agent resources to sustain OD programs. Since MAG's visits to the RCI grantee organizations were short and/or infrequent, MAG could not have undertaken a major, long-term development effort without the help of knowledgeable and skilled local coaches.

A part of MAG's OD strategy with one grantee organization was to engage in career development of the local coach who was teamed with the MAG consultant assigned to the RCI grantee site. One MAG consultant maintained that one of the most successful consultations focused on the tutorial development of the partnering local coach. Local coach development occurred through joint diagnosis of and interventions in the development of the RCI grantee. The local coach was able to observe and emulate the model furnished by the MAG consultant. The most significant growth occurred

within the pair relationship itself, in which OD values, concepts, and behaviors were central to the interaction.

In the most effective MAG consultant/ local coach OD pair, the local coach gradually became the central figure in the planned change effort. As the role of the MAG consultant became less central, more time was devoted to teaching the local coach and other key members of the grantee organization how to use the MAG consultant as a resource. Increasingly, with this particular RCI grantee, the MAG consultant's time and efforts spent guiding the local coach as well as more time in reviewing OD objectives and strategies that had been developed and implemented within the RCI grantee organization and less time in making direct interventions.

Achieving long-term change in the RCI grantee organizations was made more difficult by the transience of the people in them and the fluid structures and role relationships within the organizations. These phenomena affected the stability of the organization, which, nevertheless, had to be maintained through a long-term change effort. One implication for OD was that conflicts continued to erupt even after they ostensibly had been resolved. Moreover, a management team that had been developed gained new or replacement members and had to be developed again. Problem diagnoses that were valid one day could be stale or even obsolete the next. Consequently, it was clear to MAG that the RCI grantees would need to have competent internal change agents to continuously monitor the organizational health of the grantee, diagnose symptoms and problems accurately and rapidly, and provide the skills and resources needed to sustain effective planned change.

> ***Althpugh, MAG consultants were mostly involved with helping RCI grantees to respond more effectively to current problems, the transmission of the MAG consultants' knowledge and skills to key members of the organization, especially those who could be called "internal consultants" or "change agents," was one of MAG's major goals.***

Conclusions

The Social Organization as a Total System

Social organizations can be considered as systems with a number of subsystems, each of which acts on and affects the other subsystems. Explicitly recognizing that any organization is a complex of subsystems made it more difficult to apply the "one best way" or "single-cause solution" to every organizational problem. Therefore, MAG stressed the need to view organizations and their problems from three perspectives. Although such separation of organizations into three different perspectives is artificial, it does provide a useful theoretical framework for understanding how RCI grantee organizations operate. Only by simultaneously considering structural design, flow, and human factors can one deal realistically and successfully with the complexities of RCI grantees' organizational life. Thus, the most successful attempts to improve organizations take into account all three perspectives.

Just as one-dimensional approaches are likely to fail, so, too, are model-building and operations-research approaches that neglect human behavior. The failures occur because the output-based models, which work well in mechanistic systems, may not be valid with social systems, such as RCI. Similarly, many attempts at computerized, management-information systems, which cut across departmental lines, failed because they concentrated on the flow perspective, with insufficient attention paid to either the structural design or human perspective.

The Vital Importance of the Manager

All too frequently, RCI managers are thought of as mere supervisors, but such a definition downplays their vital role in the organization. RCI managers had critical functions in the workflow process and as leaders. The managers' many roles will continue to expand and become more important in the face of the continually shifting, dynamic environment in which they function.

Recognizing the tremendous role demands on managers, with their accompanying conflict and ambiguity, will force managers to become better trained in lateral interaction with their peers and others inside and outside RCI grantee organizations. Managers will have to become better diagnosticians of systems problems and will have to develop new and better ways to reward them for accomplishing goals.

Managers need a clearer understanding of the difference between proactive and reactive forces, and they must develop keener insight into their performance of

either role. But, since personality factors may influence their style and effectiveness, it may be necessary to adopt a contingency theory of leadership so the job can be molded to fit the manager rather than the other way around.

The Importance of the Individual and the Psychological Contract

This paper addresses the concept of the individual as a subsystem as well as several models of motivation. Yet, one concept is clear—individuals are always motivated by their own particular set of needs. Therefore, no one can ever motivate another person. Since motivation is a process internal to the individual, it can be tapped by someone else only if the situation is changed. In other words, the clock-watcher who leaves promptly at 5:00 P.M. is highly motivated to leave on time. From the organizational point of view, such motivation may be dysfunctional. Yet, rather than trying to get the individual to give up his or her clock-watching habit, the individual's motivation may be transferred to more functional outlets if his work situation is changed; that is, if the individual's job is enriched. This does not mean that the individual will become happy; usually, as soon as one set of needs is satisfied, another set emerges. However, there is a vast difference between the mini-gripe (the quality of snacks in the vending machine) and the maxi-gripe (staff shortages). The mini-gripe, or hygiene factor, is much easier to handle than the maxi-gripe, but handling the latter produces a much healthier organization.

One of the most powerful factors influencing individuals' emotional response to their work is the psychological contract. Individuals learn very quickly about the psychological contract and react accordingly. If it is a rational-legal contract, individuals will put in a fair day's work for a fair day's pay, although their concept of a fair day's work may differ from that of the organization. If an organization wants loyalty and commitment from an employee, it needs to set up a normative contract.

The Importance of the Group in the Social Organization

This document highlights the ways in which groups affect both individual and organizational behavior. For example, we discuss how the development of matrix task forces materially increases employees' work quality and productivity when complex new processes, procedures, programs, projects, and products are introduced. It seems clear that knowledge and understanding of group behavior, group norms, and structure are vitally important to today's managers as well as to the managers of the future. This is so whether or not the group is a part of the formal or informal structure of the organization. In subsequent sections we discuss the use of such temporary groups as task forces or project teams to solve specific organizational problems, introduce new products, and integrate different departments on the lateral level. The use of temporary, ad hoc groups is necessary in the adaptive-coping cycle that many organizations must go through. Of course, this has

profound implications for management and professional selection, development, and training. The problems associated with temporary groups are much different from those of stable, relatively unchanging environments and work groups.

The Need for Improved Contingency Theory in Organizational Design

MAG believes that a major breakthrough is emerging in how organizational structure is regarded. There is a shift from regarding the structure and design of an organization as a given to seeing an organization as something highly contingent on the climate and environment in which it exists. The community development movement is really only beginning to see the implications of this concept, and the next few years should see great expansion of research and thought in this area. The continuation of an adaptive, competent organization may require continual review and reexamination of the structure and design of the organization in terms of the nature, type, and state of its relevant environment and the nature of the continuous interchange between the organization and its environment.

The entire problem of how best to differentiate and integrate an organization has concerned management theorists for decades. The research necessary to define more clearly the type of structure that is optimum for an organization at a given time will receive an increasing amount of attention and deservedly so. Although attention to organizational structure and design may be a major consideration in the survival of specific organizations, only now are we beginning to develop systematic and applied methods for examining this problem in greater depth. This examination eventually will lead to "planned abandonment."

The Need to Better Understand Proactive and Reactive Forces

Organizations or their component subsystems seek to find a relatively stable stance, or equilibrium. However, this process is made more difficult by the action and reaction between proactive forces (those seeking to bring about change) and reactive forces (those seeking to maintain the current status of the social organization). Implicit in this approach is the entire issue of change and adaptation. Change in itself is neither good nor bad. Managers, however, must know and be able to clearly identify the difference between the proactive and reactive forces. In addition, it is important for them to realize that the organization requires two opposing sets of forces: proactive forces allow the organization to change and adapt, while reactive forces restrain wild organizational shifts in direction and purpose. To bring about change, either the proactive vectors must be increased or the reactive vectors must be decreased. Successful managers must be expert diagnosticians to know whether to increase the strength of the proactive forces, decrease the strength of the reactive forces, or work on both.

Nonetheless, conflict is inevitable. There are three basic ways of handling conflict—forcing it, sweeping the problem under the rug, and confronting it or putting the facts on the table and discussing them openly. This last technique is perhaps the most useful, because it recognizes the validity of feelings and emotions. Thus, under normal circumstances, the best way to handle conflict and change is through confrontation, which recognizes the existence of feelings and emotions.

The Manager's Need for Continuing Education

Change is increasing at an accelerated rate. This is particularly true of the "knowledge explosion," which makes current knowledge obsolete. There is always a lag between the development and application of new knowledge. In the hard sciences, the lag is decreasing steadily, but in the behavioral sciences, the lag between the development and application of knowledge is much greater. For example, even though the Hawthorne studies show that workers respond positively to being treated as individuals, today, 60 years later, many organizations still treat their employees harshly, believing that any other method somehow weakens the manager's proper authority and leads to negative repercussions.

Relevant knowledge is being generated at an accelerated rate. Successful managers will be those who can do a better job of educating themselves and a better and faster job of importing new knowledge into the organization at all levels, thus further reducing the lag between gaining new knowledge and applying it.

This paper distinguishes between some activities and/or approaches that lead to both organizational improvement and organizational development—the term preferred by behavioral scientists working in this field. In discussing the basic assumptions underlying OD, MAG has stressed that an explicit part of OD is the conscious effort to provide opportunities for human beings to grow and develop in the organizational setting. This requires a diagnostic approach to OD because the OD change agent must develop an action-research model designed to fit the needs, objectives, and values of the organization. Some successful tools and techniques used in providing OD to the RCI grantees are laboratory training, team building, organizational confrontation meetings, improving interdepartmental relationships, and inducing internal growth and change.

While there are many advantages to using the diagnostic approach, there also are some problems associated it. Some OD practitioners tend to ignore structure and technology, while others use one approach for all situations. Finally, several myths have emerged concerning the nature and concepts of organizational development. In MAG's experience, sometimes the role assumed by some of the consultants conducting organization development with RCI grantees took on a different perspective, such as that of a limited broker between funder and grantee. Therefore, MAG believes that it is important to:

- Respect the leadership of grantee organizations, boards, and residents of communities. Otherwise, grantee authority be may undermined and attainment of desired outcomes may be threatened.
- Recognize the power differential between the grantee organization and the funder. Maintain a respectful openness with organizations to encourage them to explore new methods in a frank way without worrying about revealing their vulnerabilities or flaws to funders.
- Support the grantee's ability to make choices. Empowerment to determine what to work on and with whom increases the grantee's ownership of the process.
- Accept the risks. Sometimes, despite the best of intentions, the grantee may not have the willpower to change, and sometimes outside circumstances intervene. Often, it gets worse before it gets better.
- Brace for the length of time it takes for change to occur. Some of organization development is about adults learning new ways of doing things and about groups developing new working styles.
- Recognize that OD is not "sexy," certainly not when contrasted with stories of project support where you can see the immediate effect on people. The impact of OD has to be described in terms of increasing the grantee's capacity to deliver, construct, organize, etc. (the end), rather than in terms of the intervention project itself (the means).
- Help grantee organizations from the inside out—an important way to have a lasting effect on the constituencies we seek to serve. There are a variety of ways to get started and a variety of methods to use to gain successful outcomes.

Regardless, it is very important to be aware that, sometimes, novices interested in OD mistakenly assume that any problem lends itself to an OD intervention. When OD is applied to the wrong situations, or is an instrument for manipulation, it can fail as dramatically as any other methods intended to initiate, manage, or wait for change.

MAG believes that OD may not be an appropriate solution for introducing change when the conditions listed above are not met or when the OD consultant or change agent behaves unethically or manipulatively. Under the following conditions, organizations should consider alternatives to OD intervention:

- No one, apart from a consultant, feels a need for change. The decision makers have closed minds and reject the notion that change is appropriate. They prefer the way things are.
- Managers in the organization prefer appearances to reality. They seek quick fixes designed to give the illusion that management supports change.
- Managers or employees are unwilling to listen to OD's key assumptions and values, preferring coercion or persuasion.

- Distrust is so prevalent among decision makers that they are unwilling to speak to one another to begin managing or resolving conflicts. In these cases, members would rather leave the setting than resolve their problems.
- The organization's culture is so strong that managers are reluctant to call in expertise from outside when qualified talent is not available inside.

Alternatives to Organizational Development

When the goal is planning and implementing change, there are alternatives to OD. Although these alternatives are not the chief focus of this document, they are worth mentioning so that OD consultants will be familiar with other possibilities.

A. **The Legalistic Approach.** The legalistic approach to change is based on a comparison between existing laws and organizational practices. When differences are noted, management changes organizational practices to bring them into compliance with applicable legal standards. For example, concerned citizens, consumers, special interest groups, or disgruntled employees can file lawsuits against private, public, or not-for-profit organizations if the organizational practices in question are illegal. Government agencies can perform investigations, and courts may eventually compel organizational changes to be made. Another example of this approach to change is that managers can authorize their own internal or external performance audits to ensure that their organizations are complying with laws and have good management practices (Herbert, 1979; Rothwell, 1981).

B. **The Dialectic Approach.** Change can be brought about by a dialectic approach using attention (Maso and Mrtroff, 1981). For instance, management may authorize two employees or management groups to examine different sides of an issue and debate them in an open forum. A fundamental assumption of this approach is that superior ideas emerge through conflict among contrasting opinions. Indeed, conflict is prized because it subjects issues to uncensored consideration from all angles.

C. **The Leadership Change Approach.** Another way to initiate and implement change is to appoint a new leader (Gilmore, 1988). Each person brings to a leadership role his or her own attitudes, values, and beliefs that underlie subsequent actions. If an organization selects a leader whose attitudes, values, and beliefs are in line with intended direction for change, the organization's strategic direction succeed (Dlugos and Weiermalr, 1981; Glueck and Jauch, 1984). When an organization needs to make a radical change, it should appoint a leader who has no stake in preserving the organization's existing conditions. This often means appointing someone from outside the organization (Gerstefi and Relsman, 1983). Later, once a change has been made,

the leader may have to be replaced by someone who can consolidate the gains that have been made in the organization (Schefi, 1978).

D. The Persuasive Approach. People will change when they are convinced that change is in their best interests (Chin and Benne, 1969). Advocates of persuasion as a change strategy advise managers to examine who will be affected by proposed changes and then to make a concerted effort to explain how those affected will benefit. Unfortunately, persuasion will probably not work well as a change strategy if people do not know what goals are being sought or do not value the benefit they think they will receive (Vroom, 1964).

E. The Coercive Approach. People will also change if they are threatened with punishment, such as discipline or dismissal. This technique, called a coercive approach to change (Chin and Benne, 1969), is usually counterproductive because it creates anxiety, fear, and stress and it may provoke sabotage. In addition, turnover and absenteeism tend to increase. Although there may be occasions when coercive change is the only approach that will work, it is usually considered a change strategy of last resort.

Generally speaking, MAG believes that OD may be used effectively when the following six conditions exist:

- At least one key decision maker in the organization perceives a need for change, and top managers do not actively oppose it.
- The perceived need or problem is caused, in whole or in part, by conditions in the work environment, such as relations between or among individuals or work groups.
- Managers in the organization are willing to commit to long-term improvement.
- Managers and employees are willing to listen with open minds to the key assumptions of OD as articulated by an internal or external consultant or a team of internal and external consultants.
- Some trust and cooperation exists within the organization.
- Top management is willing to provide the resources necessary to support expertise either inside or outside the organization.

Organizational development holds tremendous potential for funders and grantees of all sizes. It builds strong, fulfilling relationships with service providers and makes it more certain that their programs will be available to the public for many years to come.

Perhaps the most important concept presented in this paper is that all of us are born, live, work, and die within organizational frameworks, formal or informal. The individual can become more effective merely by recognizing this fact and understanding some of the ways in which organizations operate.

Appendix

The Rebuilding Communities Initiative

The Annie E. Casey Foundation launched the Rebuilding Communities Initiative (RCI) in 1994 to help transform deeply troubled neighborhoods in five cities – Boston, Detroit, Denver, Philadelphia, and Washington, D.C. – into safe, supportive, and productive environments for children, youth, and families. RCI took a comprehensive approach to community building that was based on the assumption that improvements in neighborhood conditions can have significant benefits for the children and families who live there,

Specifically, RCI sought to:

- Maximize capacity and impact of neighborhood resources and institutions;
- Develop an effective neighborhood-based human service delivery system for children, youth, and families;
- Increase public and private capital investments in the neighborhood;
- Improve the physical and social infrastructure;
- Strengthen the capacity and effectiveness of neighborhood governance collaboratives; and
- Increase resident participation in community building.

To be selected for RCI, each community was required to demonstrate that it had a balance of needs and strengths, an existing community building process in place, and a strong community-based organization (CBO) to lead the community building process. The lead CBO is responsible for administering the grant and bringing neighborhood residents and other community stakeholders together in a partnership for change. The lead organizations and their communities were:

- **The Dudley Street Neighborhood Initiative** (Boston, MA) for the Dudley Street neighborhood in Roxbury/ North Dorchester;
- **Germantown Settlement** (Philadelphia, PA) for the Wister, Southwest Germantown, and Chew-Chelton neighborhoods;
- **Marshall Heights Community Development Organization** (Washington, DC) for neighborhoods in Ward Seven;
- **NEWSED Community Development Corporation** (Denver, CO) for the La Alma/Lincoln Park neighborhood in West Denver; and
- **Warren Conner Development Coalition** (Detroit, MI) for neighborhoods in the Eastside of Detroit.

In the early years of RCI, the communities developed comprehensive, long-term rebuilding plans, and worked closely with the Foundation to systematically develop their capacity to implement and sustain the change process over the long-term. The RCI approach to community change focused on entire neighborhoods; engaged residents as active participants in shaping solutions; and brought residents, local organizations, and outside agencies together in new models of collaboration. The Casey Foundation provided financial support and intensive technical assistance to each community over a seven-year period, and is conducting an extensive evaluation of the Initiative.

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and communities fashion more innovative, cost-effective responses to these needs.

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