# ACCELERATING THE DESIGN OF

# HIGH-PERFORMANCE ORGANIZATIONS

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# Table Of Contents

# OPTIONS FOR ACCELERATED ORGANIZATION DESIGN

## Introduction[1]

Companies are faced with a world that is rapidly shifting under them. To succeed in the future, they must transform themselves into organizations that can adapt quickly to change, achieve and sustain high performance, and provide a rewarding work life for employees. The search for more effective ways of organizing, developing, and working with people has become an organizational imperative.

Senior leaders realize that they must rapidly reconfigure their work processes, structure, and culture to meet the requirements of a fast-changing business environment. At the same time, they understand that employees want to be involved in the process of creating their own future and will resist change that is imposed on them. And leaders know that the internal resources of time, people, and funds are becoming less available for prolonged change efforts. The need for an accelerated, high-involvement approach to organization design is very clear.

Not all of these forces for acceleration are new, but their combined intensity limits the ability of the traditional whole-systems approach to respond, and requires modification in its application. Recent developments are providing new techniques that both accelerate the design process and, through the direct participation of key people, build strong commitment for the implementation of the new organization.

## The Need for New Approaches

A number of pressures are driving this need for rapid, high-involvement approaches: businesses are demanding a faster cycle time for planned, large-scale change at lower cost with no sacrifice of quality; they require assured success in the implementation of new designs; and they need a process that prepares the organization for ongoing renewal. These outcomes, in turn, depend on the organization's ability to develop and sustain internal support for the design process and overcome inherent problems both in the traditional systems method and in a piecemeal approach to change.

[1] My special thanks to the following colleagues who have contributed many useful ideas to this paper: Dick Axelrod, Charles Berezin, Steve Brogan, Barry Bateman, Eli Berniker, Barry Camson, Charles Hunton, Myron Kellner-Rogers, Drew Lathin, Richard McDermott, Bernard Mohr, Tom Rankin, and Steve Stulck.

**Business Demands**

Competitive pressures no longer permit companies to take from two to five years to make major improvements in organizational effectiveness. They need to see substantial, positive business results much faster, and they realize that the ability to change rapidly provides a competitive advantage. All operations in the future will require a faster cycle time, and the change process, itself, must reflect this quality within all of its phases: planning and preparation, analysis and design, and implementation. In addition, the cost of the traditional design process must be reduced in terms of people, time, and funds. Lean organizations, in fact, may not have people to spare for the traditional steering committees, design teams, and the like.

**Implementation Difficulties**

An organization cannot afford the cost of creating a sound design for the future that is then carelessly or only partially implemented. The design process used must increase the probability that the organization will successfully install the necessary changes. Haphazard implementation inevitably diminishes the benefits of the change effort, yet it can occur because of management and employee resistance to the proposed change, burnout of those who have been intimately involved in the design process, undue pressure from senior stakeholders to cut corners, the emergence of competing priorities, and the loss of key managers. Each of these difficulties results from a process that takes too long and does not involve sufficient people in the creation of the new organization.

Employees and managers who are halfhearted in their acceptance of a proposal for a new design will impede the quality and speed of its implementation. They may resist the change because they do not understand or agree with certain features, see the possibility of personal loss, or fear that the organization will not follow through with the full implementation of the plan. The design process must, therefore, build strong commitment and responsibility for change within larger numbers of people.

For many people involved in the change process, so much time, effort, and resources have gone into protracted planning, preparation, and design activities that they have little energy left to carefully manage the implementation of the new organization. In addition, if the design takes longer to finish than expected, impatience on the part of key people may produce undue pressure to short cut the implementation period — the most difficult part of change. Also, competing priorities may have been postponed and can no longer be delayed. And finally, the very managers who initiated and championed the change, the best persons to lead the implementation, may have moved on to other jobs, with the change effort then losing focus and sponsorship. These are all powerful reasons to use an accelerated, high-involvement design process.

**Inadequate Preparation for Organization Renewal**

Organizations need an approach that both teaches a process of self-design to all the people and leaves them excited at the prospect of ongoing renewal — the periodic self-evaluation and necessary reconfiguring of the enterprise. The traditional method does not accomplish this because too few people come to appreciate the importance of renewal or learn the methods of redesign. In addition, by the end of a design effort those on the design team frequently are burned out and feel that they do not want to be involved in such an activity again. Yet, these are some of the very people who have the skills to lead not only the implementation but also renewal efforts in the future.

**Unsustained Support**

The design process slows down when the design team loses the support of key groups. Design teams traditionally find it very difficult to stay well connected to the steering committee, the people in the unit under design, and other key persons. This is true even when the team involves them in the analysis, solicits ideas and responses to possible changes, invites them to sit in on design deliberations, and keeps them informed of progress. This is aggravated by a process that takes too long and that excludes from meaningful participation the majority of the people who must live with the new design.

Design team members inevitably become committed to the new organization design, but the others in the unit develop little sense of ownership in it. Team members believe that they are truly doing what is best for the organization, while people in the unit do not fully understand what the team is doing, do not know how to support the effort, and often feel that the team has become isolated, elite, and unable to represent their interests. In turn, design team members may come to distrust the ability of their peers to implement the proposed changes.

As the design process progresses, the steering committee often becomes detached from the design effort. While this can be due to simple neglect, more often it results from the intent to give the design team significant latitude in its work. Unfortunately, this can lead the steering committee to withhold knowledge and expertise that would benefit the design process. And to add to the problem, the design team, in exercising its own sense of independence, may reject this input even when it is offered. As a consequence of this disconnection, steering committee members are often surprised and disappointed by some of the design proposal content; and design team members frequently are concerned about the steering committee's support for the change effort and their eventual acceptance of design recommendations.

Separation from the design process often causes certain other key people, for example, senior managers, union officials, customers, and other stakeholders, to limit their support for the change effort. Day-to-day demands may restrict their availability to learn about the process, provide necessary information, participate in progress reviews, respond to ideas for change, and so on.

**Problems With the Design Team Approach**

Certain problems in the use of the traditional design team process often slow down the change effort and diminish the quality of the results. Some examples:

**Confusion:** Design team members feel overwhelmed by the complexity and sophistication of the task. The longer the analysis and design process takes, the more the team experiences confusion as to how all the parts fit together and where the process is leading. While some bewilderment is inevitable and, in fact, necessary for breaking out of old ways of thinking, too much can be discouraging and draining.

**Excessive Detail:** Team members produce more detailed analytic material than they can productively assimilate and use in the design. Some members strive for perfection, with excessive analysis and a design that covers every detail. (The concept of minimum critical specifications is often difficult to realize in practice.)

**Inward Focus:** The design team is likely to focus too strongly on how things are done today, with difficulty entertaining radically new ways of working. It is also inclined to design future relationships with other groups without adequate knowledge of their functions or sufficient input from their members. It tends to shortcut the social analysis because team members believe that their own perceptions and attitudes accurately reflect those of the other people in their unit.

**Delay:** The design team exceeds the planned time requirements, and the leadership finds it difficult to enforce strict limits, or even gauge the amount of time actually needed. Delays may be caused by members feeling little sense of urgency, by an attempt to make all decisions by consensus, by the belief that bargaining is the way to resolve strong differences, and by the perception that caution is required in early designs that may establish precedents for future change efforts. In some circumstances, even the occasional absence of key members can delay the effort or diminish the quality of the work. One likely consequence of delay is that it signals to others in the organization that the pace of change is not an important issue.

**Missed Opportunities:** The team is reluctant to recommend implementation of useful ideas until the full design is completed, thus missing the opportunity to demonstrate positive outcomes of the process early on.

**Obsolescence:** The design contains recommendations that are obsolete before implementation begins due to changes that have occurred in the business environment since the design team completed the analysis.

A faster design approach, such as one of those described later in this paper, will force the design team members to forego activities that cause delay; and the greater involvement of others will reduce their isolation and encourage the consideration of new possibilities. However, simply gaining agreement to avoid certain practices, such as analyzing in excessive detail and bargaining differences, can help create a more rapid design process.

**Limitations of a Piecemeal Approach**

An organization is often designed in a piecemeal, one-unit-at-a-time manner because it cannot support the resource demands or handle the stress of multiple design efforts. This approach creates problems that lessen the quality of the design and hinder its implementation. For example, the locations of current boundaries between the unit under design and other groups cannot be unilaterally changed, and consequently may be strengthened when they should be shifted to reallocate work among groups. Later, as other units are designed, these boundaries may have to be repositioned.

In addition, because the organization does not shift as a whole, major changes in structure, systems, and practices in one unit may be very difficult to make (for example, job content, job progression, management roles, information systems, promotion and pay systems, and the like). There will be pressures to maintain the status quo when the newly designed unit wants to work in innovative ways but others in the larger organization wish to continue working in the traditional manner. One result may be the approval to implement some parts of the new design but not all, a defeat for a whole-systems approach.

## Accelerating the Entire Change Process

An accelerated change process minimizes the time expended in all three phases of planned change: I – Planning and Preparation; II – Analysis and Design; and III – Implementation. Reducing the total cycle time is the critical issue; a faster Analysis and Design phase will not gain the organization a great deal if the Planning and Preparation and Implementation phases greatly exceed the normal time.

There are three major approaches that can be used to accelerate the process of change. When these are combined with parallel changes in the organization's business strategy, culture, and leadership, they gain great power to position the enterprise for the challenges and opportunities of the future.

### Available Options

The purpose of this paper is to present the three options for accelerating the design process and to establish the conditions under which the use of each is appropriate. Each of the following approaches will be discussed in detail in a later section. The essential features are contrasted in Table 1 at the end of this paper; the traditional systems approach is also included as a basis for comparison.

1. **The modified traditional systems approach:** In this approach, the traditional steering committee and design team still play major roles, but a variety of methods are used to speed up the process and involve more people.

2. **The cascading, macro-design approach:** In this option, a senior planning/design group specifies the broad, macro features of the

organization, and passes these down to the individual units that then address the micro-design and its implementation in their respective areas.

3. **The sequenced, multiple-conference approach:** In this approach, the visioning, analysis, design, and implementation planning are all done in a series of conferences in a compressed period of time by large cross sections of people from the organization.

   This last approach is currently attracting a great deal of attention. While it can be a powerful method under the right conditions, it is not always the most appropriate way for an organization to accelerate its design process.

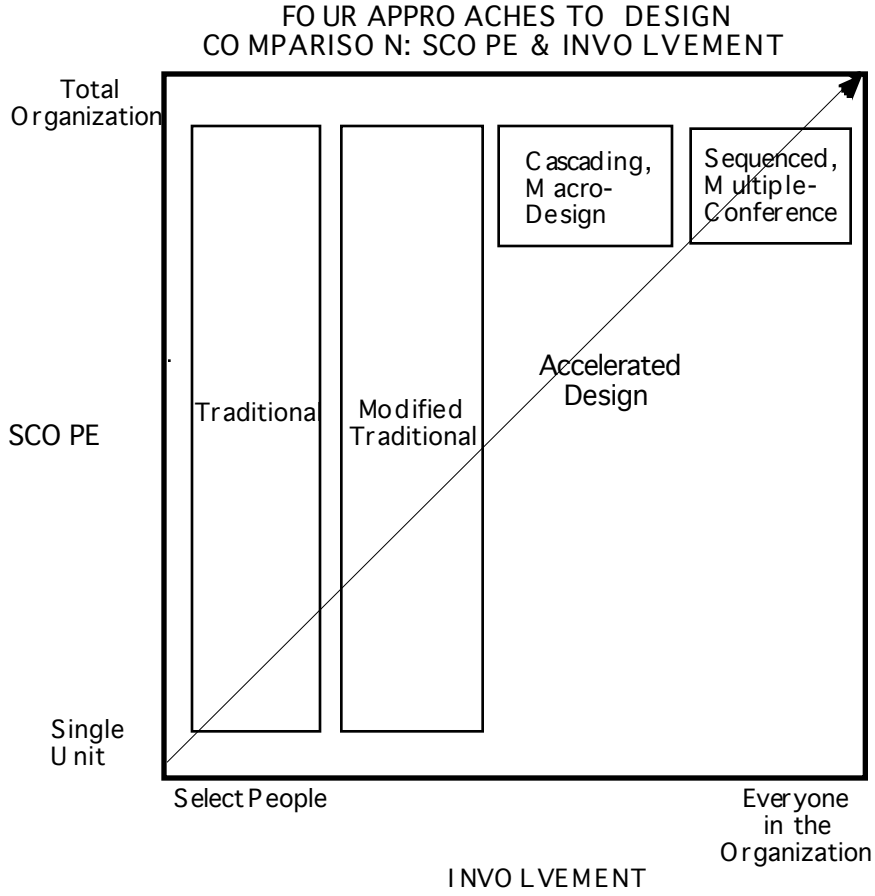
**Scope and Involvement**

Two dimensions are especially significant in comparing the approaches to organization design: the scope of change and the degree of involvement of organization members. Figure 1 displays this comparison; note that the traditional systems approach is included along with the three options for acceleration.

The scope of change can range from the design of only a single unit to the design of all the units in the total organization. Obviously, the more units that can be designed concurrently, the faster the process of change for the whole organization. Sometimes this will be possible, but at other times conditions will not support this. All of the approaches can be used for any level of unit inclusion, although usually the cascading, macro-design and the sequenced, multiple-conference approaches are used for changing the whole organization.

The degree of involvement of people extends from only a select few persons to the participation of everyone in the organization. All the approaches to design represent a degree of involvement of people in the change process far beyond that found in a conventional organization, where normally this is the domain of senior management. Some methods use a cross-sectional design team to represent the experiences and interests of various groups, while others employ the direct participation of large numbers of people.

**FIGURE 1**




**Evolution of Accelerated Methods**

For many years, the traditional systems approach has served the process of organization design well and has produced numerous examples of improved processes, structures, relationships, and business and human outcomes. This approach has provided a solid foundation for accelerated methods, for it has proved that there are workable alternatives to the principles of Taylorism and that organizations are capable of self-design, with only a limited need for external consultants.

Accelerated, high-involvement methods have also evolved from the many years of experience with participative management, in which people, often drawn from various levels and functions, have worked together in a wide variety of planning, problem-solving, and improvement efforts. Over time, techniques have been developed to involve larger and larger numbers of people in productive work. This success with participation is reflected both in the traditional cross-sectional design team and more recently in large-group events and the multiple-conference approach. Another important dimension has been added by recent experiences with democratic dialogue as a process for reaching common understanding.

**Criteria for Choosing the Correct Approach**

Under what conditions is one option preferable to another? Any organization contemplating a change process must select an approach only after a careful evaluation of its current situation against the following criteria:

**Need for Speed:** the extent to which there are pressing external or internal circumstances (threats or opportunities) that demand a rapid shift in capabilities throughout the organization.

**Agreement on the Need for Change:** the extent to which there is widespread agreement among key individuals on the need for, and the general direction of, change.

**Scope:** the extent to which the planned change effort encompasses multiple units and large numbers of people within the organization and impacts external groups, such as customers and suppliers, as well.

**Bureaucratic Rigidity:** the extent to which the organization is preoccupied with predictability and control, avoidance of risk, maintenance of status, protection of turf, and hierarchical decision making.

**Organizational Complexity:** the extent of internal complexity in the organization, including size, the number of levels and groups and their relationships, the work processes, the technology, and the current level of stress and its impact on the organization's capacity for major change.

**Political Complexity:** the extent to which there are multiple internal factions with conflicting goals, that possess the power to stop change with which they disagree.

**Interdependence of Internal Units:** the extent to which units are tightly linked, where a significant change in one necessitates change in others.

**Nature of Key Relationships:** the extent to which —

- the current culture is characterized by a reasonable level of trust, mutual respect, open communications, and teamwork.
- functional groups are not overly competitive or protective of their turf.
- employee–management and union–management relationships are constructive and based on a history of successful cooperative efforts.
- the union encourages its members to speak for themselves, within the bounds of the contract.

**Availability of Resources:** the extent to which the organization can free up people, including management, to participate in design activities; has internal

change consultants or can acquire external ones; has funds to support all phases of the design process; and has employees who possess certain fundamental skills — literacy, communications, teamwork, and problem solving.

**Experience With:**

- **Participation:** the extent to which the organization has had success with various forms of participation or employee involvement.

- **Organization Design:** the extent to which the organization has had success with an organization design process in the past.

- **Large-Scale Change:** the extent to which the organization has enjoyed success in the past in implementing significant change that affected a large part of the system.

**Implications for Leaders**

In the past, managers have tended to underestimate the difficulty of change and have underplanned, understructured, underresourced, and undermanaged even traditional change efforts. Since accelerated approaches are more demanding, the leadership must be clear about these new requirements and prepare the organization accordingly. Leaders who are considering the use of accelerated design methods must also understand that these approaches require extensive personal involvement on their part in all phases of the change effort. Regardless of the option they choose, it will take a great deal of their time, it will subject them to pressures from all quarters, it will challenge their tolerance for ambiguity and loss of direct control, it will make their leadership style highly visible, and it will demand a process of personal change that sets the example for others in the organization.

**The Traditional Systems Approach**

Consideration of the options for accelerating the change process first requires an understanding of the baseline process, namely, the Traditional Systems Approach.

***Phase I – Planning and Preparation***

*Primary Activities*

Primary activities are the basic functions that the steering committee or the design team must carry out to accomplish the objective of each phase. In Phase I, the senior leadership group or a steering committee of senior stakeholders (for example, a plant manager and staff plus union officials where appropriate) normally meets over a period of two to three months to address the following issues:

- the need for organization change
- the vision of the future organization, including mission, desired behavior, and broad characteristics of the future organization
- the planning and managing structure for the change effort
- the change strategy
- the organization's readiness for change
- the charter (project description) for design teams, which includes objectives, scope, schedule, resources, roles and responsibilities, and key relationships
- the assurances that protect people from loss of employment or pay
- the development of a coalition of supporters
- the process for gaining approval for the change effort
- plans for introducing the change process to the members of the organization.

The written output of this period usually is a statement of the need for change, the vision of the future organization, and the charter for the design team.

Ideally, even before the planning phase begins, management surveys the trends in the business environment and determines the need for any significant shifts in the organization's basic business strategy. It may, for example, decide to

- service new markets or customers.
- produce new products or services.
- implement significant new processes and technology.
- respond to new government regulations.
- form new partnerships or alliances with other organizations.

Changes in any of these directions establish new specifications that the organization must meet if it is to execute this business strategy successfully. This determination is crucial to the start of a change effort, for a new design must meet the business needs of the future, not just respond more effectively to today's requirements.

*Communication/Coordination Activities*

These are activities by which the steering committee or the design team communicates with others and coordinates its work within the organization. In Phase I, the planning period is followed by a time of intense activity when the leadership group presents the plans for the future to the other members of the organization, lines up the support of key stakeholders, and gains approval for starting the change process from senior management and from union leadership where appropriate.

*Early Changes*

Early changes are initiated at the beginning of a phase to support forthcoming primary activities. In Phase I, for example, a company may work with its union to shape an agreement that permits innovation in the bargaining unit, and it may begin education programs for key stakeholders on new forms of organization.

***Phase II – Analysis and Design***

*Primary Activities*

At the start of the Analysis and Design phase, the steering committee commissions a design team, normally composed of six to twelve people who form a cross section of the unit undergoing design. This group may work full time for four to six months or part time for a proportionally longer time period.

After extensive training, including site visits, this design team is responsible first for analyzing the current organization from three perspectives: the business environment (the demands and opportunities presented by key external groups, such as customers); the work flow or technical system that produces the product or service (the ways to eliminate or control all key variances or errors in the work process); and the social system, the people side of the organization (the work life of individuals, the ways in which people work together, and the impact of the organization structure). Based on this in-depth learning, the team then develops both a blueprint for a new organization and an implementation plan for installing the elements of the new design.

*Communication/Coordination Activities*

Since the steering committee is responsible for overseeing the change effort, it meets periodically with the design team to review its progress, resolve key issues, and so on. However, steering committee members often become less involved in the process at this point and reduce the time they spend working with the design team, learning about change, and gaining the support of others.

*Involvement Activities*

Typically, the design team involves the other people in the unit under design by:

- providing information about the design process.
- keeping people informed about the progress of the design effort.

- trying to sense how people are feeling about the change process and then dealing with strong concerns.
- meeting with individuals or with groups to gather information related to the social or technical analyses.
- soliciting ideas for the new organization design.
- working to gain understanding and support for the effort.
- presenting the results of their analyses and the final design proposal to the unit as a whole.

*Early Changes*

During this phase, management may introduce other activities that help to develop a supportive culture, such as sharing business information, involving people in problem-solving groups, training them in interpersonal skills, and so on.

***Phase III – Implementation***

*Primary Activities*

The design team gains approval for its final proposal from the steering committee, other senior management, and union leaders where appropriate. This approval process takes a substantial amount of time, with presentations made to various parties individually, usually followed by a period of deliberation, with iterations likely. Changes to the union contract are negotiated as required.

People begin to see some evidence of change. (However, if the implementation process extends over too long a period of time, they may experience change as a series of disconnected incidents, not part of a whole-system shift.)

Implementation of new job responsibilities begins; this is usually accompanied by job skills training, which is especially important when new technology is also being installed. Team skills and team development are often begun later on. (While a lower priority for this social skills training is understandable, the result will be a delay in the building of committed teams that can provide a unique platform of support for other implementation activities.)

*Communication/Coordination Activities*

The steering committee oversees the work of the unit implementation committee, if used, and is involved in reviews, discussions, and decision making.

People who were not directly involved in the design process now get up to speed on the design details to prepare them to help with the implementation.

*Involvement Activities*

A number of people in the unit have explicit responsibility for implementation activities, for example, they serve on an implementation committee or as a member of a task group that works on an element of the design, such as a training program.

**When to Use the Traditional Approach**

Normally, this approach is used in an organization starting its first design effort. It gives the leadership the greatest degree of control over the change process; it permits the careful specification of changes that can be accommodated without undue risk or commitment of resources; it permits groups that have a history of mistrust to proceed slowly while finding common ground; it permits functional groups to experience the impact of new forms of organization; and it gives both employees and managers an opportunity to understand the process and its potential affect on their personal futures.

## The Modified Traditional Systems Approach

This section describes, for each of the three phases of change, a modified systems approach that uses methods that accelerate the traditional process and involve sizable numbers of people. Some of these methods are simply extensions of known practices, but a number are not in common use today. Of course, these are only examples, and each organization will tailor these methods or invent new ones to fit its own situation.

### Phase I – Planning and Preparation

*Primary Activities*

The leadership group or steering committee meets continuously for an extended period of time offsite to accomplish its planning tasks in a shorter time frame. Subgroups of the steering committee may meet concurrently to do the initial work on separate topics, for example, the need for change or the change strategy. The total group then makes the final decisions on key issues.

In the case of a large organization with highly interdependent operations, all units are designed concurrently rather than sequentially. Not only does this compress the total time required, but it facilitates significant shifting of internal boundaries where needed and builds support for new ways of working across the organization.

As the steering committee writes the design team charter, it may specify a significant number of required organization features, for example, the use of self-managing work teams, limited supervision, a pay-for-skill system, and the like. In a unionized setting before the change effort begins, management may contract with the union for certain features of the overall design.

The steering committee treats the change process as a results-driven activity that must meet specific business goals. It views every work process as a business process, it establishes good project management for the change effort, and it requires discipline and accountability from everyone involved.

*Involvement Activities*

Participation of key people builds support both for the design process and the final proposal, which greatly speeds up the implementation phase. The following are examples of high-involvement activities that can be a part of the modified approach.

- Invite key stakeholders, people whose input or approval will be needed at a later time, to join with the steering committee in certain planning activities, for example, visioning. Early inclusion reaps the benefit of their ideas, generates commitment, and eliminates the time spent on later presentations and deliberations. Also, in the interests of the rapid diffusion of learning,

include as non-decision-making members of the steering committee the leaders of other units that will be redesigned in the near future.

- Use the "future search conference" method. In this approach, a large group of participants, representing all parts of the organization, meets over a several-day period to examine the organization's past and its present as a basis for constructing a vision for the future. Often, external stakeholders, such as customers, are invited to contribute their views to the deliberations of the group. This intense approach reconciles the many viewpoints of participants from inside and outside the organization while producing a vision that is compelling to all.

*Early Changes*
To support a site change effort, plan the early modification of selected corporate/site policies, practices, and systems, and implement these as soon as possible. For example, create new information systems, begin training leaders in participation, and initiate the exploration of alternative compensation schemes.

Plan the start of activities that will help to create a culture that supports both the design effort and the vision for the new organization, for example, employee education in the business side of the operation and training in total quality.

Be sure that the leadership group receives early education in new forms of organization, the process of change, and the role of leaders and the skills they need to initiate, oversee, and support change.

Anticipate the extensive need for consultants, facilitators, and trainers throughout all phases of the change process. If they are not readily available, begin a process to develop these resources internally or acquire them externally. Most likely, the steering committee is already working with at least one consultant and has some feel for the content and value of this role.

**Phase II – Analysis and Design**

*Primary Activities: Analysis*
Form three subgroups within the design team with each assigned to carry out concurrently one of the three required analyses — business environment, technical, or social. The full group then integrates the data. However, a case can be made that all team members should be involved in the business environment analysis, because much of this very essential learning will be new to everyone. Also, split up the responsibility for site visits among design team members with separate subgroups going to different locations. Invite along steering committee members and other key persons to build understanding and support.
In performing the technical analysis, have the design team identify and address only two kinds of key variances: those that directly affect crucial customer requirements for quality, cost, timeliness, and the like. And those that will affect the drawing of boundaries or the forming of new relationships with other groups. Later on, a group can be commissioned to address the total work system and design a full production process that is error-free. An example of the first

category would be the elimination of those variances that cause quality problems in the work process when high quality is critical to the customer. As to the second, a production unit may decide to assume responsibility for its own in-process testing when the central lab has a history of chronic delays in providing feedback data.

Train people in the unit, who are not on the design team, to collect the social data through interviews with their peers; or use internal or external consultants to collect and process some of the data when design team members are not available to do so.

Use a "quick and dirty" method of analysis that relies on the aggregated personal experiences of design team members and not on extensive external data collection. But, at the same time, be aware of the potential for bias in this method.

*Primary Activities: Design*

When the design team has finished the analyses and just before it starts the design, have it devote a day to reviewing all learnings from site visits, conferences, videos, readings, and the like. Team members will then have a full array of possibilities fresh in their minds as they begin to construct the new organization and will not waste time searching repeatedly through materials later on.

Design the new organization using only the most minimum critical specifications. Put the broad structure into place, and then involve all the members of the new organization in fleshing out the details.

Since mixed-level design teams seldom redesign senior management jobs, it is up to these leaders to begin a parallel design of their new roles and the management structure that will mesh with the changes in the other parts of the organization. In addition, managers may need to explore the possible redesign of key management processes, such as planning and budgeting, product and technology development, or customer service.

The leadership must also initiate a deliberate process that prepares management at all levels to assume new roles, develop more skillful interpersonal behavior, and advance teamwork throughout the organization. Furthermore, the leadership group must build itself into a team that can model an effective working process for others.

The steering committee must ensure that all activities that relate to the change effort are aligned and support one another: the design process, the implementation of a new business strategy and technology, activities that serve to shift the culture, and the preparation of management for its new role. People must understand the goals of each activity and how the work of all must mesh. Poorly managed change in any one of these areas can undermine efforts in the others and slow the whole transition.

*Communication/Coordination Activities*

To simplify coordination, overlap the membership of the steering committee and design team as much as possible. Consider even forming a combined steering committee/design team composed of a few essential senior leaders and a small cross section of people who represent the key functions in the unit. This team would be responsible for all the normal work of both groups, but this arrangement eliminates a major need for coordination and greatly speeds up decision making.

Have the design team set aside one communications day a month during which members go to all parts of the organization to report on their activities and to solicit reactions, feelings, and ideas. As an alternative, form a communications group composed of people in the unit with one member of the design team as its head. This group would have the responsibility for keeping people in the unit informed of the progress of the design effort, soliciting their feelings and thoughts, and feeding this information back to the design team.

*Involvement Activities*

To build support for the design, involve as extensively as possible those external stakeholders who will be affected by the proposed changes. Ask for their views on current operations, solicit their ideas for change, and test out possible design options with them.

Use as many members of the unit as possible to produce the data for the analyses by involving them in carefully structured large-group meetings. The design team then processes the data, generates design possibilities, tests options with the large group, and uses these inputs to create the final design proposal. (Note: an organization's extensive experience with single purpose, large-group sessions may prepare it to move on to the use of the sequenced, multiple-conference approach that is discussed in the last part of this paper.)

Have the steering committee and design team commission task or study groups, composed of people in the unit, to work out the details of specific changes, for example, training needs and changes in facilities. Members of the design team serve as the leaders of such task groups as a way of connecting this work with the ongoing design process.

The steering committee is responsible for all aspects of the change process, not only for overseeing the design team. Keep these leaders involved in helping members of the organization learn about the upcoming changes and the effectiveness of new ways of working.

*Early Changes*

Even before the design is complete, begin to change the systems, policies, and practices that likely will need modification, for example, the information system, training system, and so on.

Parallel to the design effort, initiate activities that signal an aggressive shift in organization culture, for example:

**Business Understanding:** Educate all people on the future business strategy, including the kind of organization required to implement it. Provide business information to people on a regular basis. Arrange for them to meet with customers to learn about their requirements. Take people on tours to key vendors. Involve people in groups that identify and solve important business or operational problems.

**Critical Skills:** Begin building the skills that the organization will need in the future: technical and computer skills, interpersonal and group skills, and business skills. Help people gain experience with these skills by using them in the current organization. Avoid extensive teambuilding at this time, as work group boundaries and composition may well change under the new design.

**New Ways of Working:** Educate as many members of the organization as possible in new forms of organization and new ways of working, for example, the use of self-managing teams. Help them understand the principles that underlie both the new design and the process of change. Explore the causes of resistance to change and how people can cope with the demands of new relationships and roles. Provide examples of high performance organizations to both demonstrate key features and enhance their belief in the possibility of change.

Accelerate the learning of everyone in the unit by involving them in something directly related to the change effort. Make each person a part of the process.

**Resources:** Develop the extensive training and facilitation resources that will be needed when implementation of the new design begins.

**Phase III – Implementation**

*Primary Activities*

Kick off the implementation by providing a training experience that reveals to people the underlying rationale for the new organization design; a work simulation is useful, as is a workshop on participation.

Compress the implementation phase into as short a period as possible. When each change is made, describe to people how it fits as a part of the overall system of the new organization.

Build the shop-floor work groups into strong teams at the start of implementation. Develop a base of mutual support that will help people acquire other skills faster and reap the benefits of teamwork sooner.

*Communication/Coordination Activities*

Present the design proposal to all groups in the formal approval loop at the same time in the same room; reduce the time it takes to reach agreement by working out any necessary modifications together.

Have the steering committee assume the functions of an implementation committee, adding other unit representatives as needed. This will reduce the time it would otherwise take for coordination and decision making.

*Involvement Activities*

Encourage all members of the unit to assume responsibility for some formal implementation activity; they might, for example, serve as members of task groups.

Be sure to involve all managers in this phase, because it is this group that is ultimately accountable for the successful implementation of the new design.

*Early Changes*

At any point during the design process, make changes that everyone agrees are appropriate. Do not wait until the final design is approved to implement these "quick hits."

Begin necessary preparation for the implementation of certain design features as soon as there is reasonable information available about their probable inclusion. For example, begin to develop specific training resources or plan the construction of new team meeting rooms when the need is first recognized.

**When to Use the Modified Traditional Approach**

This approach is the most conservative of the three options for accelerated change. Compared to the Traditional Systems Approach, it will be used when an organization: has gained some positive experience from its initial design efforts and is feeling less need to tightly control the process; has improved key internal relationships and has helped groups with normally diverse interests to find more common ground; has developed internal consulting resources; and is feeling pressure to extend and speed up the design process throughout all units. However, organizations with extensive experience with the traditional design process, may want to move on to either the Cascading, Macro-Design or the Sequenced, Multiple-Conference approach.

## The Cascading, Macro-Design Approach

### Designing the Key Features

In this approach, a senior-level planning group or steering committee assumes full responsibility for the planning and preparation, including visioning, as described earlier in the Traditional Systems Approach. But it also does the initial analysis and design, and determines the broad, key features for the total organization — the macro-design (unit boundaries, team structure, reward system, information system, management structure, and the like).

These design features are handed or cascaded down to the individual units that make up the larger organization. These groups are then responsible for deciding how the prescribed features will be applied in their respective area (the micro-design) and how they will be implemented. Each unit may form a steering committee to oversee its effort, or it may choose to have only one group that handles the local planning, micro-design, and implementation. With the direction already set for the overall organization structure, systems, and processes, units may implement concurrently or sequentially. All understand at the start that they will be required to work in the new ways.

### Additional Activities

Many of the suggestions for acceleration presented in the previous section apply to this approach as well; some key examples:

*Leadership Group*

- Have the leadership group meet offsite to work for an extended period of time, with subordinates covering for these leaders during this period.
- At the start, develop the leadership group into an effective team and prepare them to assume the role of leaders of change.

*Involvement/Communications*

- Invite a small group of people representing a cross section of the organization to join the leadership group to bring a wider range of views to the planning process.
- Involve key external stakeholders as early as possible.
- Devote a day to reporting on progress and soliciting the opinions of people within the organization.

- Use large-group meetings within the individual units when they are planning the implementation of the macro-design.

*Early Changes*

- Modify as soon as possible selected corporate/site policies, practices, and systems to support expected design changes.

- Initiate culture-change activities.

- Educate up front as many people as possible in new forms of organization and new ways of working.

- Train people early on in the skills they will need in the future: technical, interpersonal, team, and business.

- Implement appropriate "quick hits" at any point in the change process.

**Implementation**

The success of this bold approach depends on the following:

- The senior leadership group must be the appropriate and legitimate body to establish the broad parameters for the new organization. Members of the organization must see it as composed of people who can represent the views and interests of all. This means that the group will contain union leaders and possibly a cross section of the organization. Other key stakeholders, including customers and suppliers, may be invited to join.

- The leadership group must be able to meet together for extensive periods of time.

- The senior group must focus only on the absolutely essential organizational issues and features during analysis and design — a true application of minimum critical specifications.

- They must prepare a template to hand down to each unit as a guide to further design. Unit managers must then be very aggressive in following through in their areas; they must prepare a plan for the micro-design process that can be implemented immediately, one that involves as many people in the unit as possible.

  If people in the organization object to the limited participation permitted in the early stages of the process, they can be reassured that they will have ample opportunity to be intensively involved in the refinement and implementation of the design in their own unit.

- The leadership needs to understand that this activity will raise the expectations of people in the organization. They must clear the path of any

obstacles that might sidetrack the effort, for momentum is easily lost and a derailed effort will be difficult to get back on track.

- This group must maintain an overseeing role for the entire change effort, from planning and preparation through implementation. It must ensure the availability of appropriate resources, education activities, coordination among units, modifications to organization-wide systems, shared learning across the organization, and the like.

**When to Use the Cascading, Macro-Design Approach**

For designing a sizable organization, this macro-design approach is a faster method than the modified traditional approach. This method will be appropriate when:

- there is a requirement for a very rapid improvement in the organization's capabilities, and all parts of the organization must shift as a whole.

- there is widespread agreement on the need for change.

- political forces are reasonably well aligned, and key relationships are positive.

- the change effort has the highest possible priority, potential roadblocks are absent, and people are available to participate as needed; consulting and training resources are on hand. (If all units implement the design concurrently, the organization will require extensive resources to assist it in planning, design, training, teambuilding, and so on.)

- the organization is prepared to take a sizable risk; it is willing to change all elements in the work system.

## The Sequenced, Multiple-Conference Approach [2]

In the sequenced, multiple-conference approach, the majority of the visioning activity, the data analysis, the organization design, and the implementation planning is done in a series of conferences in a compressed period of time by large groups of people (25 - 100) who comprise a cross section of all units and levels in the organization. Key external stakeholders are also invited to attend and contribute.

Each carefully structured conference lasts from one to three days with typically three to four weeks between conferences — the time required for people to absorb the results of one conference and prepare for the next. The composition of the participant group changes for each conference but with significant overlap from one session to the next. The systems framework still serves as the road map for analysis and design, with each meeting focusing on one of the design steps; each session builds upon the work of the prior ones. Within a conference, people spend time working both in small groups and in the total community. The overall design for a sizable organization can be developed in four to six months.

### A Typical Conference Sequence

The following is an outline of a typical sequence of conferences. These, of course, are tailored to suit each organization's particular needs.

1. ***Future Search Conference***
   Participants reflect on the organization's past, examine its present and future challenges and opportunities, and with this learning as a base, construct a vision of what the organization must be in the future.

2. ***Business Environment Analysis Conference***
   Participants address the question: what do key groups in the external business environment, such as customers, expect of the organization in the future and what opportunities do they present. In some circumstances, it may be possible to include this analysis within the Future Search Conference.

3. ***Work Flow Analysis Conference***
   Participants identify the key variances that represent error in the core work processes and develop ways to eliminate or control them.

4. ***Social System Analysis Conference***
   Participants examine opportunities for enhancing the work life of all members of the organization and improving the ways in which they work

[2] This section is based on the innovative work of Dick Axelrod, Bill Pasmore, and Marvin Weisbord.

together to operate and maintain the technical system. (Some experts believe there is no need for this particular conference, given the amount of social system data usually generated in the other sessions.)

5. *New Organization Design Conference*
   Participants create the broad features of the new organization, not the full, final design. Cross-organizational task groups may be asked to work on issues that affect all groups, for example, a new pay system or a new information system.

6. *Implementation Planning Conference*
   All participants in each unit meet to flesh out the details of the design for their respective organization, for example, the boundaries and roles in a new team. They also create the plans for introducing the changes into their group.

7. *Review Conferences (As Needed)*
   Representatives of all units critique the progress of the change effort and the results coming from the new organization, and plan any needed course corrections.

**Key Roles In the Conference Process**

Three groups have critical and unique responsibilities in support of the conference process; these are the Steering Committee, the Conference Support Team, and Consultants.

*Steering Committee*

This committee is composed of senior leaders and, in some cases, representatives of the various groups in the organization, including union officers where appropriate. After extensive education in the conference method and exploration of its appropriateness for the organization, the committee does the initial planning for the change effort. This requires attention to the same issues that must be addressed in all approaches, except that the business environment analysis and visioning are done in one of the early conferences.

The committee has the responsibility for overseeing the entire change process, for integrating the results of each conference and shaping subsequent sessions, and for approving the final design proposal. This committee may change its composition with the start of implementation so that it then includes representatives of any new units created by the design process.

*Conference Support Team*

This small group of full-time volunteers is responsible for gathering the data produced in each conference (as recorded on flip charts and such), synthesizing it, summarizing the key points, reproducing the results, and distributing these summary materials to all members of the organization. It also circulates any output of the steering committee. It collects responses to this information from all

parts of the organization, summarizes this feedback, gives it to the steering committee, and circulates it throughout the organization.

This group helps non-participants learn about both the process and the content of each conference. One technique used is to videotape a conference and then circulate copies of this tape. Another is to hold formal meetings and walk people through the process and content of the prior conference. To push this a step further, some organizations in the workplace replicate each conference in a much shortened form so that all people can experience the process and generate more ideas.

One of the primary tasks of the team, then, is to take in large amounts of data and turn it into information usable by large numbers of people. In addition, employees can come to this group at any time to ask questions, discuss issues, and submit ideas. On the whole, the team is responsible for maintaining high-quality communications about the change process within the organization.

The members of this group also handle the extensive administration and logistical arrangements for each conference. They help prepare materials that will be used in the conference, such as wall charts and handouts. Some may act as facilitators to the small groups that meet during a conference, although usually this is not necessary.

***Consultants***

Experienced consultants, internal and/or external, help the organization plan and execute the entire process.

**Supporting Structures**

All participants receive a workbook for each conference they attend. This book contains the schedule of events, general and specific task instructions, key questions to be addressed at specific times, perhaps a questionnaire, and space to write in answers and record experiences.

Large-scale visual displays are used in each conference, for example, a flow chart of the work process.

Subgroups in each conference get the support they need to become self-managing and work in an empowered manner. Members typically assume roles as recorder, spokesperson, timekeeper, and facilitator. They receive instruction in how to run their meetings, and in some cases, they work with a facilitator.

Exercises, skits, and other playful activities may be used at key points.

Various means of communication about conference activities are used: summaries of data, minutes of meetings, videos, newsletters, educational materials, and so on. All information from one conference becomes important input to the next. Each conference starts with a review of the critical information from the prior session plus any follow-up activities.

## Conference Guidelines

### *Planning*

The conference process is complex, and to achieve superior results, extensive, detailed planning is critical both at the start and as the conferences evolve. Learnings about how the process is working in one session are used to plan and improve subsequent meetings.

Maintaining momentum from session to session is critical to keeping energy for change at a high level. Since any delay in the process can be harmful, this effort must have top priority.

The design of each conference and the underlying rationale are shared with all; there are no hidden plans or assumptions.

### *Conference Participation*

Attendance is voluntary at all the conferences but one. All members of each unit are expected to attend the conference in which they plan the implementation of their own new organization.

Steering committee members attend all sessions. This enables them to stay informed about the conference process and progress, allows them to fully contribute their knowledge and experience at each session, and positions them to make some decisions on the spot without the usual long delays found in the more traditional approaches.

To assure necessary continuity, a small cross section of people (up to twenty-five percent) may overlap from one conference to the next. For the most part, participants at the "New Organization Design" conference have attended one of the prior conferences.

In some versions of this approach, all members of an organization are included. A series of the same workshops are run until all have participated, with the integration of results occurring at the end.

### *Intended Outcomes*

Participants do all the work required to create the new organization design; and they may also identify significant "quick hits" that can be implemented immediately. While people will learn many things in the conferences, the purpose of these sessions is not training but the production of design results.

## Conference Assumptions

### *The Whole System*

The focus of the conference design process is on understanding all aspects of the whole system and planning for the change of organizational elements in all units. To this end, representatives from all parts of the total system are brought together to work on the new design at the same time in the same room. And a

cross section of key external stakeholders is invited to participate to keep conference views closely connected to the realities of the outside business world.

***Focus On the Future***

The organization is designed to meet the future requirements of the business environment. To understand the future demands and opportunities, people explore the very broad, even global context in which the organization operates and the significant trends that affect it. And as they design the new organization, they also design their personal and collective futures.

***Quality of Work***

High-quality work results from the direct participation in the conferences of as many people as possible. This cross section of individuals brings a rich diversity of knowledge and experiences to bear and has the capacity to generate unique, innovative solutions. The intense interaction of people and the pooling of their viewpoints produces new ideas and new combinations of possibilities. People involved in creating a future for themselves and others are motivated to work for the best possible overall result.

***Energy for Change***

The conference format signals in dramatic fashion the importance of the change effort. From the first session on, the seriousness of purpose, the open participation, the diversity of activities, the opportunities for discovery, the continuous sense of accomplishment, and the sheer synergy create excitement and energy for change. Focusing on the opportunities of the future rather than on the mistakes and problems of the past results in optimism and motivation for change. Also, there is something about a process that operates successfully on the edge of chaos, where the final outcome is not totally predictable, that produces energy for transformation.

People who voluntarily help to create a new organization are committed to making it work. When they design their own work, they want to continuously improve it and will voluntarily look for such opportunities. When people decide together that they need change, they can make it happen very quickly.

***Common Ground***

People who participate in the conferences come to identify with the organization as a whole, appreciate the need for change that benefits all, and find the common ground that all can embrace. Disagreements among people and groups can be openly addressed, with the diversity of views and experiences managed constructively so as to produce creative answers. Even while acknowledging differences, people can develop agreement on broadly shared goals and plans.

***Open Dialogue***

People who come to the conferences bring a great deal of information about the organization and a wide range of viewpoints. The group, as a whole, has virtually all the knowledge required to do the work, and experts are not needed in the meetings to provide the answers. The conference structure creates

channels of communication that provide all participants with the same information and encourage extensive open dialogue. All parties meet as equals and have the opportunity to express views, exchange ideas, interpret data, help resolve issues, and plan action steps. The chance to contribute is not determined by one's role or position in the organizational hierarchy. Barriers are removed. One result of this public dialogue is the development of a common base of information about the organization and its people.

When people exchange views face-to-face, they are able to gain a clear understanding and appreciation of the viewpoints of others, which reduces the misconceptions that people and groups have of one another. People at different levels and in different functional groups can learn how others see them. Assumptions behind positions can be clarified. Ideas can be tested while people are still open and flexible. People can see the immediate response to their suggestions and quickly combine these with ideas from others to develop mutually acceptable positions. When major agreements are reached by all levels and groups in the public forum, all parties feel that real change will happen.

Management bears a special responsibility to support and facilitate open dialogue through careful listening, encouragement of disagreement, and the like. An important challenge for managers is how to present their own views on issues and share pertinent information without intimidating others.

***Logical Process and Structure***

Conference activities follow a carefully planned, logical process that sharply focuses discussions and moves them along so that they produce the needed output in the time allotted. Different self-managed groupings of people are used at different times in the conference with the composition changing according to the task. Conference participants spend some time in small groups with people who see things the same way they do, some time in mixed groups that contain various viewpoints, and other periods with the total conference body where the small groups report on their work.

The process submerges people in a sometimes overwhelming amount of information, but it gives people the time to experience the order and insight that eventually emerges from this confusion.

***Opportunity for Participation***

Within each conference, everyone attending finds opportunity to participate in all activities and influence the outcome of the session. Passivity is minimized. Within the broad framework provided in each conference, participants share in the control of both the content of discussions and the general course of events.

Within the sessions, people experience a high-involvement way of working that very probably will become a key element in the design of the backhome organization. Thus, people find congruence between the conference method and a desired design outcome.

### *Validation by the Whole*

An important quality of the conference method is the ongoing validation by the whole organization of the change process and its outcomes. This occurs through the participation of a large number of people in the conferences and from the involvement of the whole organization between sessions. People who did not attend a particular conference receive information about the session in various ways, ranging from written material, videos, and presentations by conference participants to involvement in a mini version of the conference that replicates the main event. This transfers the conference learnings to all parts of the organization, tests the outcomes for completeness and validity, generates further thoughts and ideas, and provides a base of understanding for subsequent steps. A conference does not really end until this follow-up activity occurs.

## Special Issues for Unions

There are some special issues that must be acknowledged and addressed in a unionized organization. Some union leaders, although committed to organization change, may have serious reservations about the conference process. While they themselves are accustomed to working in large-group settings, they may not be comfortable with the direct participation of union members in the discussion of organization issues. Traditionally, union leaders have spoken for the membership and have represented the formal position of the union in any public forum. This solidarity has been a necessary source of union power for many years, and the gains this approach has produced are considerable.

Leaders fear that when individuals or small groups speak for themselves in public, varying or conflicting positions may split the union body and diminish its influence. This can be a very real dilemma. The willingness of leaders to permit members to join in this open process will depend to a great extent on:

- the current relationship, including the level of trust, that exists both with management and with any other union that may be involved in the conference.

- the extent to which they perceive the existence of different factions within the union that may air potentially divisive views in public.

- their perception about the likelihood that management or another union would take advantage of disagreements among their members in a way that would undermine the integrity of the union.

- their own comfort level, their willingness to take risks, and their personal skill in dealing with conflict when it arises.

Another concern for union leaders is the nature of the issues dealt with in the open forum. While they might encourage the participation of their members, they could not permit the conference body to make decisions about wages, benefits, working conditions, work jurisdictions, and other issues normally

addressed in the collective bargaining process. Above all, they are responsible for protecting the labor contract.

Finally, a traditional source of union power has been the ability to slow down or block certain management actions when these appear contrary to the union's self-interest. With the multiple-conference approach, the outcome of each activity is not totally predictable, and sensitive issues which may arise in the public arena are not easily contained. Union leaders (as well as management) may experience some surprise and even considerable discomfort as events unfold. While this might tempt union leaders to suspend support, to do so would severely damage the change process. Before the start of the first conference, it is critical that union and management anticipate and resolve any potentially upsetting issues, especially such fundamental requirements as employment and pay protection. In addition, the union as a whole must sanction the joint redesign process, preferably through a vote of the membership.

**Positive Outcomes of this Multiple-Conference Approach**

***Results***

This approach to organization design develops a high percentage of the insights and ideas that the traditional method would produce, and the new design is developed in a relatively short period of time. The high quality of the final design benefits from the richness of the input of many people from all parts of the organization. As an added benefit, each conference may produce ideas for small changes that can be implemented relatively quickly. People accomplish results that many would have believed impossible at the start.

In addition, the very nature of the design activities serves as a model for new ways of working and can signal a significant shift in the organization's culture toward greater focus on the customer, better working relationships among groups, broader participation in key decisions, higher standards of performance, and the like.

***Implementation***

As a result of intense participation, people develop a high degree of ownership in, and enthusiasm for the final design, which greatly eases its implementation throughout all parts of the organization. People understand how they will be affected by the change and what they must do to support it. Momentum built up during the design activities can successfully carry the organization through implementation. Furthermore, the implementation of the design in a short period of time provides some protection against reverting to traditional ways of working should senior management ever remove its support for such change.

***Renewal***

People learn how to change their organization, and this experience helps them understand both the need for, and the process of, learning and ongoing renewal in the future. In addition, they may come to view a large-group event as an appropriate forum for other kinds of work.

*Resources*
This approach enables the participation of key individuals who are available for only a limited time. Few people need to be pulled from their normal job on a full-time basis.

*Learning*
This approach provides the opportunity for many people to quickly learn about the organization and how it operates. For example, they come to appreciate it as a complex system that must change to meet new requirements in the future.

At the individual level, people can develop communication and collaborative skills that they can use in their day-to-day work settings.

*Relationships*
By working closely together, people and groups build mutual regard and develop supportive working relationships. People who normally have little contact with one another have the opportunity to work together and discover common ground, for example, in their priorities and approaches to issues. They experience an unusual degree of teamwork, both in the small work groups and in the total community. As people in the conference see each other learning and changing views, the whole group is able to shift its position together.

The common good usually prevails over narrow self interest. In the public arena, individuals or small groups find it difficult to block change that large numbers of people feel is best for the organization as a whole.

**Shortcomings of this Multiple-Conference Approach**

*Focus*
It is clear that this method is effective in designing the social system of organizations, but there is less experience with its usefulness in changing the core work processes. There is a danger that participants will simply accept these processes and the related technology as a given and design the organization around it. On a more optimistic note, it may be that once people are working in an empowered organization, they will then find ways to modify and improve the technical system.

*Learning*
This method, with its compressed time cycle and fast moving events, limits the opportunity for reflective thinking, the careful analysis of data, and the consideration of a variety of alternatives. One reason is that hard data may not be readily available or easily used. Another is that it is difficult to quickly spot trends and themes when so much data is generated. And the pressure to complete tasks within a relatively short time frame restricts the time available for creating a full array of alternative possibilities.

The pace of activities and the sheer numbers of people moving in and out of the conferences makes in-depth learning difficult. There is no way during the

conferences to educate all people fully in the whole-systems framework. It is difficult for participants to learn how all the parts of the organization work together, although most learn many things about how the organization operates. Also, it is difficult to bring relevant learnings from the outside into the process, for example, from studies, experts, seminars, conferences, and site visits. Thus there is the danger that external information of potential use will not become available to participants.

There are remedies to these limitations, but they take careful planning and added resources to implement. Some possibilities:

- Detailed analysis of data and reflective thinking can occur between sessions.
- Hard data, such as information on costs, can be prepared before a session and introduced when needed.
- A range of views and ideas can be ensured through the involvement of a diverse mix of participants in each conference.
- People can meet before or after a conference with members of other functions to learn about their operations.
- Pre-conference workshops can be used to educate people in whole-systems thinking and alternative forms of organization.
- Before the conferences, participants can attend outside seminars, conferences, and site visits and bring their learnings into the sessions.
- Experts can be consulted between conferences and their insights introduced into subsequent sessions.

Without some pre-conference education, people will come with varying backgrounds that will result in their contributing at correspondingly different levels. Among the possibilities listed above are ways of narrowing this gap and giving more confidence to those of lesser knowledge and experience.

***Undue Conformity***

In a large-group context, there is always the danger that people will get caught up in the fast-moving flow of events and agree to changes that they later regret. Furthermore, when little dissension is voiced, leaders and more aggressive members may believe that people have the chance to speak up and when they do not, this means they support the current thinking. To be sure, the format of the meetings, including the mix of participants, the use of small groups, and the ground rules are designed to provide protection and an opportunity to voice concerns. But the pace of events, the visibility of participation, the time limits, and the inevitable camaraderie that develops within a session can all undermine needed critical thinking, adversarial exchanges, and reality checks.

***Implementation***

Because of the shortened time frame for change, there may be little opportunity to make the early changes that can prepare the organization for implementation, such as the development of a new information system, the training of people in total quality and interpersonal skills, or the development of facilitators and trainers.

***Resources***

This approach bears its own significant costs in the extensive planning and coordination required and the involvement of large numbers of people, even for short periods of time. Considerable resources are also required during implementation for planning, training, teambuilding, facilitation, and the like.

***Support***

At the beginning, many people will not believe that productive work can be accomplished in such large-group settings, and it may be difficult to persuade key persons to support this approach. Also, less time and energy is available to begin the early modification of policies, practices, and systems that will support the implementation of planned changes in structure and processes.

**When to Use the Multiple-Conference Approach**

The conference approach is appropriate when:

- Urgent challenges or opportunities require the rapid redesign of the organization, and management is willing to change virtually all of the elements. Key people agree that there is a need for change. At the same time, the organization is operating relatively well, and there is no immediate, disruptive crisis that would undermine the priority of the change effort.

- Key people whose input is needed are not available to work for a long period of time on a traditional design team. In some cases, this may be because they are geographically separated, where bringing them together for an extended period is not feasible.

The success of this approach is enhanced when:

- The senior leadership is willing to take the time to understand the conference method and its applicability to the organization. It agrees to initiate and support a design method that may at times seem confused, even chaotic, and which, once started, is difficult to stop except at great cost. Leaders also realize that a faster method of design does not mean easier.

- All levels and groups in the organization are willing to participate, and sizable cross sections of people can be made available for short periods of time.

- People generally are willing to accept differences among themselves, and they appreciate the contribution of diversity and the importance of cooperation.

- People in all groups trust their peers to represent their viewpoints and interests in the large-group conferences.

## Conclusion

Rapidly shifting requirements in the business environment are challenging the traditional systems approach to organization design. Competitive pressures are demanding that organizations accelerate the entire process of change, and as a result, faster design methods are evolving. Reduced cycle time, however, greatly depends on the commitment of stakeholders, especially during the implementation phase. Any accelerated process, therefore, must build strong ownership for the new organization through the involvement of a critical mass of people in the total change effort.

The message of this paper is that business conditions are rapidly changing, and new methods are required to match these shifting requirements. More effective approaches to organization design are now at hand, and more and more people are willing to use them.

# TABLE 1

## FOUR APPROACHES TO ORGANIZATION DESIGN

| | Traditional | Modified, Traditional | Cascading, Macro-Design | Sequenced, Multiple-Conference |
|---|---|---|---|---|
| **Planning and Preparation Process** | • By senior-level steering committee<br>• Meets over a 2-3 month period<br>• Addresses:<br>- Need for change<br>- Vision<br>- Change strategy<br>- Planning and managing structure<br>- Readiness for change<br>- Design team Charter<br>- Gaining support<br>- Approval process<br>- Mobilization of the organization | • Same steering committee<br>• Short, intensive planning period<br>• Addresses same issues<br>• May specify design features in the design team Charter<br>• May design all interdependent units concurrently | • By senior-level steering committee or planning group<br>• Short, intensive planning period<br>• Addresses same issues | • Extensive planning by steering committee in short time period; addresses many of the same issues as in the other approaches plus detailed plans for the conferences<br>• Business environment analysis and visioning are done in the first conferences<br>• Steering committee integrates results of each conference and plans subsequent sessions |
| **Analysis and Design Process** | • By cross-sectional design team<br>• 4-6 months, if full-time<br>• Analyzes business environment, technical, and social systems<br>• Develops the blueprint for the new organization and the plan for implementation<br>• Approval from steering committee and others | • Design team uses subgroups for analyses and site visits<br>• Limited variance analysis<br>• Quick and dirty analysis<br>• Data collected in large-group meetings<br>• Leadership designs own jobs and processes | • Analysis and macro-design by the steering committee; determines broad essential design features for total organization; these are cascaded down to units<br>• Extended time period required for the steering committee<br>• Units are then responsible for the micro-design and implementation | • Analyses and macro-design are done in a series of carefully structured conferences, each attended by a 25-100 person cross section of the organization; each lasts from 1-3 days, with 3-4 weeks between conferences<br>• Each conference focuses on one design step<br>• Total organization is designed<br>• Steering committee attends all sessions |

| | Traditional | Modified, Traditional | Cascading, Macro-Design | Sequenced, Multiple-Conference |
|---|---|---|---|---|
| **Implementation Process** | • Responsibility of steering committee, implementation committee, task groups, line management<br>• Changes in teams, jobs, training, pay system, etc. are implemented | • Compressed into as short a period as possible<br>• Skills training begins as needs emerge in the design<br>• Teambuilding at the start to reap immediate benefits of teamwork<br>• Implement "quick hits"<br>• Changes that support design features are made as soon as the need is apparent | • Steering/planning committee oversees organization-wide implementation<br>• People implement in own unit<br>• Units may implement sequentially or together<br>• Quick hits implemented<br>• Leadership removes obstacles | • Detailed design and planning for implementation is done by each unit at its own conference<br>• Each unit is responsible for implementation<br>• Steering committee oversees entire change process; approves final proposal<br>• Quick hits implemented immediately<br>• Conferences produce energy for change |
| **Involvement of Organization Members** | • Design team gathers analysis data; solicits ideas for design, as well as feelings about the process<br>• People in the unit may be a part of the design team, implementation team, or a task group<br>• All are involved in implementing the design changes | • More stakeholders are included in the planning<br>• All unit members involved in large-group data collection<br>• More task groups<br>• All management involved<br>• Everyone encouraged to take on some responsibility for change | • Only the senior steering committee is involved in the planning and macro-design<br>• All members can be involved in the micro-design and implementation in their unit | • A large cross section of people are involved in the conferences on a voluntary basis; all people may eventually participate<br>• Key external stakeholders participate<br>• People at each conference work in small groups and in the total community<br>• Part of the group in one conference overlaps to the next<br>• Some people serve as resources to the conferences: communications, administration and logistics<br>• Results in broad ownership of the design |

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| **Communication/ Coordination** | • Steering committee gains support of key stakeholders<br>• Vision and plans are presented to the organization by the steering committee<br>• Steering committee meets periodically with the design team; approves final proposal<br>• Design team informs people of design plans, progress, and results | • Extensive overlap of membership of steering committee and design team, or a combined team; later on, a similar merger with the implementation team<br>• One day per month for communication with the people<br>• Design proposal presented at the same time to all groups in the approval loop | • Same as Modified, Traditional | • Conference Support Team responsible for compiling and distributing summary of each session to all people and collecting responses<br>• All non-participants learn about the process and content of each conference through materials, videos, meetings<br>• All people understand the conference design and rationale |
| **Early Changes** | • Agreement reached with union to permit innovation<br>• Education sessions on design and new forms of organization<br>• Skills training sessions<br>• Activities to shift culture: sharing business information, problem-solving groups, visits to customers, etc. | • Same as Traditional<br>• Early modification of policies and systems to support new design, e.g., pay system, information system<br>• Early training in critical skills: technical, interpersonal, team, business<br>• Development of leadership: new role, participation, teamwork | • Same as Modified, Traditional | • People build relationships across the organization as well as within their unit<br>• Culture change occurs as the result of the conference process<br>• Less time is available for early system changes |

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| **Learnings** | • Steering committee and design team learn a great deal about the organization, the design, and change process<br>• People in the organization learn less but do gain some knowledge about their work process, new forms of organization, and required future skills<br>• Learning from external sources: conferences and site visits | • Same as Traditional<br>• Involvement of more people means more opportunities for learning | • Same as Modified, Traditional<br>• Leadership ensures the sharing of learnings across the organization as implementation proceeds | • Purpose of the conferences is design not training<br>• Large numbers of people come to appreciate other viewpoints; learn how other operations and the organization as a whole works<br>• Learn a unique process for change; useful for renewal in the future<br>• Gain meeting, communication skills<br>• Learning is less in-depth than for those on a traditional design team |
| **Resources Required** | • Steering committee members part-time; design team members full- or part-time<br>• Task groups and implementation committee part-time<br>• Others in the organization participate on occasion<br>• Internal consultants and trainers full-time; external part-time | • Same as Traditional<br>• More involvement of key stakeholders and members of the organization<br>• Need for early development or acquisition of consultants and trainers | • Extended period for the steering committee<br>• Considerable time of people in units, especially if they all implement concurrently<br>• Extensive consultant/ training resources required | • Extensive time for steering committee<br>• Full-time for Conference Support Team<br>• Few people are pulled off their job full-time, but large numbers are for a short time<br>• Experienced consultants needed to help in the planning and execution |

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| **When to Use This Approach** | • First design effort<br>• Leadership wants full control over process and scope of design<br>• Least possible risk is required<br>• Different groups need to proceed slowly to give them time to find common ground<br>• Individuals and functional groups need time to understand the process and its affect on them<br>• Resources are limited | • Organization has had positive experience with the traditional approach; feels less need to tightly control the process<br>• Improved internal relationships; more common ground<br>• Pressure to extend and speed up the process<br>• Internal consulting and training resources exist | • Requirement for rapid improvement in organization's capabilities; all parts must shift as a whole<br>• Wide agreement on the need for change exists<br>• Political forces are aligned; positive relationships among key groups<br>• Change effort has high priority<br>• Organization prepared to take sizable risk | • Urgent challenges or opportunities require rapid redesign<br>• Wide agreement on the need for change exists<br>• No disruptive crises exist in the organization<br>• Senior leadership willing to support a difficult, fast moving, large-scale process where the outcome is not easy to predict<br>• All levels and groups are willing to participate<br>• People appreciate the importance of a diversity of views and the need for cooperation<br>• People are willing to trust their peers to represent their interests in the conferences |