

STRATEGY DIRECTIVE (MA 208-2)

8. INTERVENTIONS IN THE FIELD OF ORGANIZATIONAL DEVELOPMENT

8.3. Set a New Vision for the Organization

Vision statements reflect the ideal image of the organization in the future. They create a focal point for strategic planning and are time bound, with most vision statements projected for a period of 5 to 10 years. The vision statement communicates both the purpose and values of the organization. For employees, it gives direction about how they are expected to behave and inspires them to give their best. Shared with customers, it shapes customers' understanding of why they should work with the organization. Also, the vision statement includes vivid description of the organization as it effectively carries out its operations.

Companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world. The dynamic of preserving the core while stimulating progress is the reason that companies such as Hewlett-Packard, 3M, Johnson & Johnson, Procter & Gamble, Merck, Sony, Motorola, and Nordstrom became elite institutions able to renew themselves and achieve superior long term performance. Hewlett-Packard employees have long known that radical change in operating practices, cultural norms, and business strategies does not mean losing the spirit of the HP Way, the company's core principles. Johnson & Johnson continually questions its structure and revamps its processes while preserving the ideals embodied in its credo. In 1996, 3M sold off several of its large mature businesses, a dramatic move that surprised the business press, to refocus on its enduring core purpose of solving unsolved problems innovatively.

Truly great companies understand the difference between what should never change and what should be open for change, between what is genuinely sacred and what is not. This rare ability to manage continuity and change requiring a consciously practiced discipline is closely linked to the ability to develop a vision. Vision provides guidance about what core to preserve and what future to stimulate

progress toward. But vision has become one of the most overused and least understood words in the language, conjuring up different images for different people: of deeply held values, outstanding achievement, societal bonds, exhilarating goals, motivating forces, or reasons to be. We recommend a conceptual framework to define vision, add clarity and rigor to the vague and fuzzy concepts swirling around that trendy term, and give practical guidance for articulating a coherent vision within an organization. It is a prescriptive framework rooted in six years of research and refined and tested by our ongoing work with executives from a great variety of organizations around the world. A well-conceived vision consists of two major components: core ideology and envisioned future. Core ideology, the yin in our scheme, defines what we stand for and why we exist. Yin is unchanging and complements yang, the envisioned future. The envisioned future is what we aspire to become, to achieve, to create something that will require significant change and progress to attain.

Core ideology defines the enduring character of an organization, a consistent identity that transcends product or market life cycles, technological breakthroughs, management fads, and individual leaders. In fact, the most lasting and significant contribution of those who build visionary companies is the core ideology. As Bill Hewlett said about his longtime friend and business partner David Packard upon Packard's death not long ago, "As far as the company is concerned, the greatest thing he left behind him was a code of ethics known as the HP Way." HP's core ideology, which has guided the company since its inception more than 50 years ago, includes a deep respect for the individual, a dedication to affordable quality and reliability, a commitment to community responsibility. Packard himself bequeathed his \$4.3 billion of Hewlett-Packard stock to a charitable foundation, and a view that the company exists to make technical contributions for the advancement and welfare of humanity. Company builders such as David Packard, Masaru Ibuka of Sony, George Merck of Merck, William McKnight of 3M, and Paul Galvin of Motorola understood that it is more important to know who you are than where you are going, for where you are going will change as the world around you changes. Leaders die, products become obsolete, markets change, new technologies emerge, and management fads come and go, but core ideology in a great company endures as a source of guidance and inspiration. Core ideology provides the glue that holds an organization together as it grows, decentralizes, diversifies, expands globally, and develops workplace diversity. Think of it as analogous to the principles of Judaism that held the Jewish people together for centuries without a homeland, even as they spread throughout the Diaspora. Or think of the truths held to be self-evident in the Declaration of Independence, or the

enduring ideals and principles of the scientific community that bond scientists from every nationality together in the common purpose of advancing human knowledge. Any effective vision must embody the core ideology of the organization, which in turn consists of two distinct parts: core values, a system of guiding principles and tenets; and core purpose, the organization's most fundamental reason for existence.

Core values are the essential and enduring tenets of an organization. A small set of timeless guiding principles, core values require no external justification. They have intrinsic value and importance to those inside the organization. The Walt Disney Company's core values of imagination and wholesomeness stem not from market requirements but from the founder's inner belief that imagination and wholesomeness should be nurtured for their own sake. William Proctor and James Gamble didn't instill in P&G's culture a focus on product excellence merely as a strategy for success but as an almost religious tenet. The point is that a great company decides for itself what values it holds to be core, largely independent of the current environment, competitive requirements, or management fads. Clearly, then, there is no universally right set of core values. A company need not have as its core value customer service (Sony doesn't) or respect for the individual (Disney doesn't) or quality (Wal-Mart Stores doesn't) or market focus (HP doesn't) or teamwork (Nordstrom doesn't). A company might have operating practices and business strategies around those qualities without having them at the essence of its being. Furthermore, great companies need not have likable or humanistic core values, although many do. The key is not what core values an organization has but that it has core values at all.

8.4. Managing the Diversity of Labor Forces

Diversity can be defined as the variety of experiences and perspective which arise from differences in race, culture, religion, mental or physical abilities, heritage, age, gender, sexual orientation, gender identity and other characteristics. So why is it when many people think of diversity, they think first of ethnicity and race, and then gender? Diversity is much broader. Diversity is otherness or those human qualities that are different from our own and outside the groups to which we belong, yet present in other individuals and groups. It's important to understand how these dimensions affect performance, motivation, success, and interactions with others. Institutional structures and practices that have presented barriers to some dimensions of diversity should be examined, challenged, and removed. To address diversity issues, consider these questions: What policies, practices, and ways of thinking and within our organizational culture have differential impact on

different groups? What organizational changes should be made to meet the needs of a diverse workforce as well as to maximize the potential of all workers?

Most people believe in the golden rule which is to treat others as you want to be treated. The implicit assumption is that how you want to be treated is how others want to be treated. But when you look at this proverb through a diversity perspective, you begin to ask the questions: What does respect look like? Does it look the same for everyone? Does it mean saying hello in the morning, or leaving someone alone, or making eye contact when you speak? It depends on the individual. We may share similar values, such as respect or need for recognition, but how we show those values through behavior may be different for different groups or individuals. How do we know what different groups or individuals need? Perhaps instead of using the golden rule, we could use the platinum rule which states: Treat others as they want to be treated. Moving our frame of reference from what may be our default view ("our way is the best way") to a diversity-sensitive perspective ("let's take the best of a variety of ways") will help us to manage more effectively in a diverse work environment. Leaders have a key role in transforming the organizational culture so that it more closely reflects the values of our diverse workforce. Some of the skills needed are;

- An understanding and acceptance of managing diversity concepts
- Recognition that diversity is threaded through every aspect of management
- Self-awareness, in terms of understanding your own culture, identity, biases, prejudices, and stereotypes
- Willingness to challenge and change institutional practices that present barriers to different groups

It's natural to want a cookbook approach to diversity issues so that one knows exactly what to do. Unfortunately, given the many dimensions of diversity, there is no easy recipe to follow. Advice and strategies given for one situation may not work given the same situation in another context. Managing diversity means acknowledging people's differences and recognizing these differences as valuable. It enhances good management practices by preventing discrimination and promoting inclusiveness. Good management alone will not necessarily help you work effectively with a diverse workforce. It is often difficult to see what part diversity plays in a specific area of management.

Issues

- How do you make the job sound appealing to different types of workers?
- How can recruitment be effectively targeted to diverse groups?
- How do you overcome bias in the interviewing process, questions, and your response?

Strategies

- Specify the need for skills to work effectively in a diverse environment in the job, for example: "Demonstrated ability to work effectively in a diverse work environment."
- Make sure that good faith efforts are made to recruit a diverse applicant pool.
- Focus on the job requirements in the interview, and assess experience but also consider transferable skills and demonstrated competencies, such as analytical, organizational, communication, coordination. Prior experience does not necessarily mean effectiveness or success on the job.
- Use a panel interview format. Ensure that the committee is diverse, unit affiliation, job classification, length of service, variety of life experiences, etc. to represent different perspectives and to eliminate bias from the selection process. Run questions and process by them to ensure there is no unintentional bias.
- Ensure that appropriate accommodations are made for disabled applicants.
- Know your own biases. What stereotypes do you have of people from different groups and how well they may perform on the job? What communication styles do you prefer? Sometimes what we consider to be appropriate or desirable qualities in a candidate may reflect more about our personal preferences than about the skills needed to perform the job.

Many people think that fairness means to treat everyone the same. How well does treating everyone the same work for a diverse staff? For example, when employees have limited English language skills or reading proficiency, even though that limit might not affect their ability to do their jobs, transmitting important information through complicated memos might not be an effective way of communicating with them. While distributing such memos to all staff is treating everyone the same, this approach may not communicate essential information to everyone. A staff member who missed out on essential information might feel that the communication

process was unfair. A process that takes account of the diverse levels of English language and reading proficiency among the staff might include taking extra time to be sure that information in an important memorandum is understood. Such efforts on the part of supervisors and managers should be supported and rewarded as good management practices for working with a diverse staff.

Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals. Affirmative action focuses on specific groups because of historical discrimination, such as people of color and women. Affirmative action emphasizes legal necessity and social responsibility; managing diversity emphasizes business necessity. In short, while managing diversity is also concerned with underrepresentation of women and people of color in the workforce, it is much more inclusive and acknowledges that diversity must work for everyone. Ignoring diversity issues costs time, money, and efficiency. Some of the consequences can include unhealthy tensions, loss of productivity because of increased conflict, inability to attract and retain talented people of all kinds, complaints and legal actions, and inability to retain valuable employees, resulting in lost investments in recruitment and training.

8.5. Transorganizational Development

Transorganizational Development is a four-stage model for improving collaboration in networks based on early research into successful collaborations together with input from an organization development practitioner base. However, this intervention has received surprisingly minimal empirical attention regarding its effectiveness, nor indeed any further conceptual development. There are some insights into the effectiveness of this intervention by analyzing the effects of the second stage of the model, the convention stage, which is a form of search conference. The intervention was found to facilitate problem solving and enabled a consensus to be reached to establish a new network planning structure. However, through integrating social network analysis with planned organizational change, it was found that the most important outcomes of the intervention were its predominantly political effects. Transorganizational systems are functional social systems existing between single organizations and societal systems. They are able to make decisions and perform tasks on behalf of their member organizations, although members maintain their separate organizational identities and goals. Transorganizational system members remain accountable to their organizations of origin. Organizations manage knowledge to achieve desired results with knowledge being a critical mass of information looked at through the lens of

experience and critical thinking, which enables us to predict and control something.

Organizations are comprised of knowledge specialists and generalists who manage the interface between knowledge specialties. Bits of knowledge by themselves are sterile. They become productive only if welded together into a single unified body of knowledge. To make this transformation of knowledge possible is the task for the organization, the reason for its existence, or its function. In other words, the work of the organization is to add value to incoming information gleaned from its workers, its customers/clients and its environment, and then transform this into the output of a service or product. If there is not a value added process or transformation, then there is no work and no authentic organization. In the case of a family the transformation of knowledge results in meeting the needs of family members, emotionally as well as financially. A transorganizational system manages knowledge too. It must be managed in a similar fashion to any organization comprised of specialists. But with transorganizational systems, the member organizations hold the specialized knowledge and participate in the process as the voices of the knowledge specialists. The specialist knowledge is not necessarily the knowledge of an academic discipline, but can also be the voice of lived experience by a particular constituency. It depends on the problem set that is motivating the formation of a transorganizational system. The transorganizational system must bridge those specialist identities and accountabilities of member organizations in order to produce new knowledge that can purposefully adapt to the turbulent environment. There is still an important place for large system methodologies, but they should be used at a particular phase in group development. Finally, what follows is a suggested six phase framework for transorganizational system;

- Phase 1-Determining the need for a TS and exploring the problem set
- Phase 2- Motivation to collaborate
- Phase 3- Member identification and selection
- Phase 4- Collaborative planning
- Phase 5 - Building an organization
- Phase 6 – Evaluation