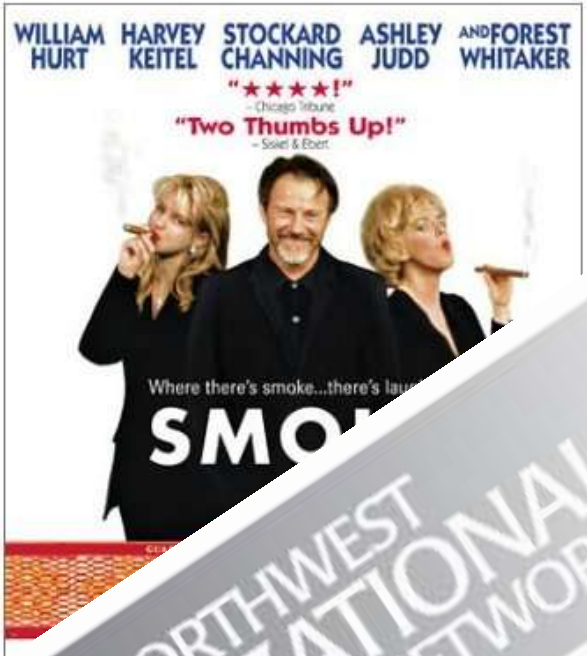


Transformation in Turbulent Times

November 17, 2008
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PACIFIC NORTHWEST
ORGANIZATIONAL
DEVELOPMENT NETWORK



It's true that all that could be said has been said.

It's also true that no one was listening.

Therefore, we will say again ...

Ancient Greek Philosopher

- No map for these territories.
 - William Gibson

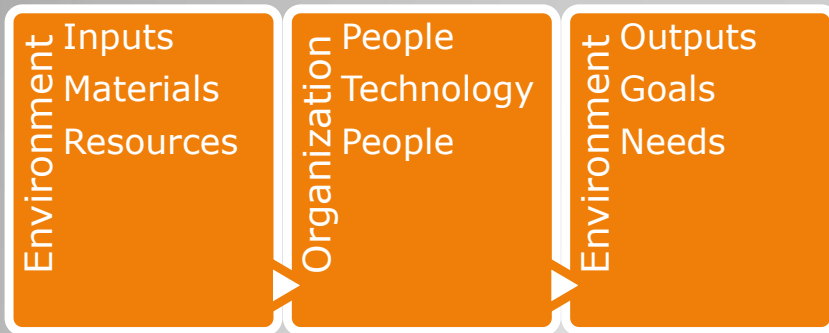
- Epigraphs

- Broad definition:
 - Systems or processes that can be sustained indefinitely
- Application:
 - Economic, social, and environmental practices

**What are sustainable
organizational practices?**

Raymond E. Miles · **Theories of Management** · Peter Senge · The Fifth Discipline · David Hurst · **Crisis & Renewal** · Cygnus · Systems Thinking Competency · John R. Kimberly and Robert H. Miles · The Organizational Life Cycle · [USC Center for Effective Organizations](#) · Matthew Olson & Derek Van Bever · **Stall Points** · Harrison Owen · Wave Rider · William Gibson · No Maps for These Territories · Jeana Wirtenberg · **The Sustainable Enterprise Fieldbook** · John Boardman & Brian Sausser · Systems Thinking · Karl Weick & Kathleen Sutcliffe · Managing the Unexpected · [Living Fieldbook](#) · Terry Schmidt · Turn Strategy into Action · [Organizational Dynamics](#) · Marvin Weisbord · Discovering Common Ground · Kim Cameron & David Whetten · Organizational Effectiveness · Karl Weick · Sensemaking in Organizations · [Sustainability Knowledge Network](#) · Jay Gailbraith & Ed Lawler · Organizing for the Future · Ed Lawler · **Built to Change** · C. Otto Scharmer · Theory U · Karl Weick · Making Sense of the Organization · [Center for Positive Organization Scholarship](#)

The T-Shirt



People grouped together around a technology which is operated to transform inputs from the environment into marketable goods or services.

– Miles, *Theories of Management*

What do organizations do?

Current Definitions

- Survival
- Success (financial)

Emerging Definitions

- Social enterprise
- Venture philanthropy

What makes an organization effective (sustainable)?

Organizational Variables

- Goals
- Technology
- Structure



Management's Role & Behavior

- Integration



Human Variables

- Capabilities
- Attitudes, Values, Needs
- Demographic characteristics

What is management's role?

Adapted from: Miles, *Theories of Management*



Increased complexity and uncertainty will ultimately doom all traditional bureaucratic organizational forms.

- Warren Bennis

“Raplexity”

- Harrison Owen

Why do organizations decline?

- Too much focus on superior-subordinate and peer relationships
- Little emphasis on the processes by which the organization was/is aligned or realigned with its environment
- Only minimal adjustments required by the organization's environment

OD reasons

1. Procedural
2. Managerial policy & process
3. Intra-departmental structure & process
4. Inter-departmental structure & process
5. Supra or extra organizational
 - a. Changes in basic product or service
 - b. Clients
 - c. Ownership
 - d. Merger
 - e. Dissolution

Types of adjustments

- **Stable** – known or predictable demands, acceptable responses to product or service offered, low perceived threat to survival
- **Somewhat unsettled** – indications of some shifts in demand or acceptance, perception of distant threat to survival
- **Turbulent** – unclear or uncertain demands, lack of product acceptance, high perceived threat of survival

Organizational adjustments to environmental demands

Recent Research

- Analysis of 50 representative (large) companies with stalled revenue growth
- Identified 42 external, strategic, and organizational factors
- Four categories accounted for more than half of the occurrences

What causes growth to stall?

Adapted from: Olson & Van Bever, *Stall Points*

Strategic Factors (70%)

- **Premium position captivity**
- **Innovation management breakdown**
- **Premature core abandonment**
- Others ...

Organizational Factors (17%)

- **Talent bench shortfall**
- Board inaction
- Organization design
- Incorrect performance indicators

Within Management's Control

- Regulatory actions
- Economic downturn
- Geopolitical changes
- National labor market inflexibility

External Factors (13%)

Adapted from: Olson & Van Bever, *Stall Points*

- **Change-ability**
 - Plan short-term advantages
 - Create temporary structures
 - Increase “surface area” - employees should be no more than two degrees away from the customer
 - Develop person descriptions rather than job descriptions
 - Share leadership

What makes an organization sustainable (effective)?

- *No systems thinking*
 - *Frozen mental models – stale strategic assumptions*
 - *Poor understanding of system archetypes*
 - *Limits to Growth*
 - *Fixes that Fail*
 - *Tragedy of the Commons*
- *Unopened space*

Key Managerial Issues

- **Definition**

- Makes connections between current activities and future consequences.

- **Indicators**

- Sees beyond the details.
- Generates models that simplify complex relationships.
- Focuses the organization on systems that cross boundaries.
- Identifies connections underlying seemingly unrelated events.
- Increases overall performance by linking critical work processes.
- Makes connections between present actions and their future impact.

Systems Thinking

Action Learning ▪ **Action Research** ▪

Appreciative Inquiry ▪ **Dialogue** ▪ **Fierce**

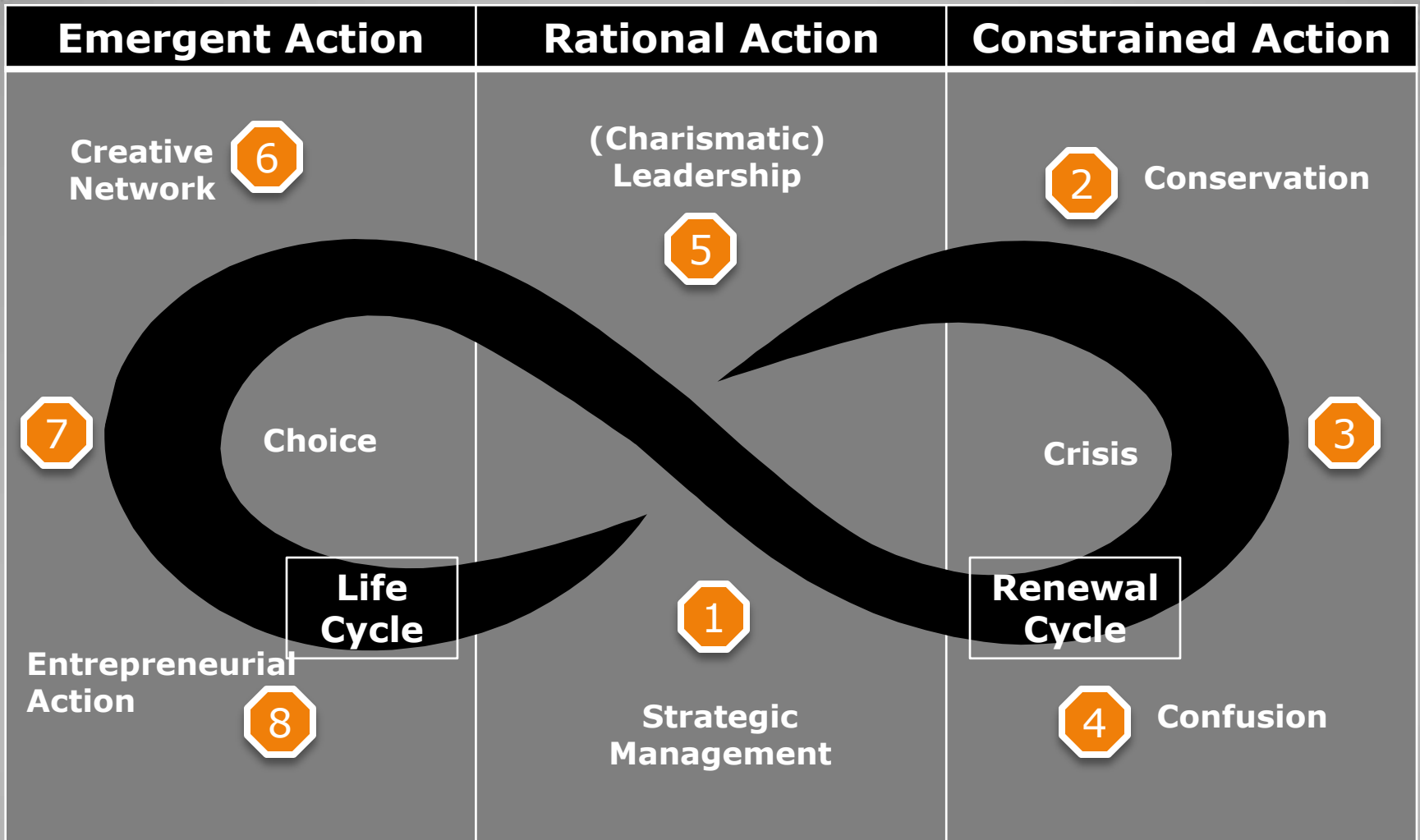
Conversations ▪ **Future Search** ▪ **Open Space**

Technology ▪ **Scenario Planning** ▪ **Social**

Networks ▪ **Story Telling** ▪ **Theory U** ▪ **World**

Cafe

Space Openers



An Organizational Ecocycle

Adapted from: Hurst, *Crisis & Renewal*

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Calling Cards