A Model for Initiating Change in Large Social Systems

Richard E. Ault
Western Michigan University

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A MODEL FOR INITIATING CHANGE IN LARGE SOCIAL SYSTEMS

by

Richard E. Ault

A Dissertation
Submitted to the
Faculty of The Graduate College
in partial fulfillment
of the
Degree of Doctor of Education

Western Michigan University
Kalamazoo, Michigan
December 1977
A MODEL FOR INITIATING CHANGE IN LARGE SOCIAL SYSTEMS

Richard E. Ault, Ed.D.
Western Michigan University, 1977

The purpose of this study was to develop a model for introducing change in large social systems. The model was based on (1) a review of existing models, and (2) the analysis of a participant-observer study of an attempt at introducing large system change. Organization Development was the focal change modality examined. It was intended that the model thus developed would be of utility to the practicing change agent in whatever field—education, social work, community development, government, unions, business, or industry.

From the review of existing models and related literature, it was concluded that a useful model for practitioners would include consideration of the change agent, the client system, the nature of the change, the process, and time. Six months of a detailed case history of an attempt at launching organization change was then presented, followed by summary snapshots of the state of this organization change process at two later time periods—the case thus encompassing a total of 2-1/2 years. The launch strategy used in the
first 6 months was then assessed for its relative success, and existing models reexamined to determine the extent to which they helped explain or predict the level of success of the launch strategy employed.

Based on this review and analysis, an integrative model was developed which was characterized as two-dimensional, nonmathematical, dynamic, and analytic, and meeting the two main criteria of utility and relative simplicity. The model integrated the concept of an S-curve rate of change with Lewin's phases of change--unfreezing, change, refreezing--and five stages of change agent activity: Scouting, Entry, Conducting Trials, Managing Diffusion, and Fostering Institutionalization. The first three of these stages--Scouting, Entry, and Conducting Trials--were identified as the "launch period," the focal point of this study, and guidelines for change agent behavior were developed for each of these three stages. Finally, the model incorporated the concept of the system, moving first to a state wherein it is increasingly ready to adopt innovation and then on to a state wherein it is increasingly adaptive with optimum boundary permeability and mutuality of relationships. Implications of the model were discussed in relation to practice and research in the field of educational leadership and other fields.
ACKNOWLEDGEMENTS

It has been a long time. I started the journey toward this degree over 10 years ago and have become indebted to innumerable fellow travelers along the way. Here, I can only inadequately acknowledge a few.

Foremost, I must thank Dr. Donald C. Weaver, my committee chairman, whose Job-like patience saw me through many starts and stops. Drs. Maurice Seay and Frank Scott, also on the committee, were always genuinely encouraging and interested. In fact, I always found my interaction with the entire Educational Leadership Faculty nurturing and growthful.

While I am most thankful for Dr. Weaver’s patience, I must also acknowledge the value of the impatience of Alfred S. Warren, Jr., of General Motors, who gave me that needed shove to get the dissertation done and backed it up with generous provision of time and facilities with which to do it.

Thanks also go to Carol Bluth, Dodie Harley, Ruth Lazur, and Sherry Reinhard, who prepared the manuscript.

And to my parents, who got me started and always gave, and Pennie, Corry, Matt, and Chris who, by simply being who they are, continue always to be reason enough.
And to my "mates" at General Motors-Holden's, some of the finest people I have ever worked and played with—cheers and good luck.

Richard E. Ault
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CHAPTER I

INTRODUCTION

This study represents an experiential attempt to understand the process of change. The author/investigator is a professional "change agent," one who's job it is, as an Organization Development consultant, to bring about deliberate and intended change in organizations. What follows is the documentation of the first stages of one major change attempt in which he acted as the primary change agent, as well as an attempt to reflect systematically on that change effort to see what he learned. This learning is posited as a model for initiating change in large social systems.

As the above would indicate, both the learnings--the model--and the experiences on which they are based are very important to the author on both a personal and professional level. However, it is also hoped that the study will be of some importance to the fields of behavioral science and educational leadership, especially to those on either the giving or the receiving end of the change process. Perhaps the author's personal feelings for the project will serve to enrich the data available for future researchers more dispassionately interested.

In this chapter are given reasons why the study is thought to be important to the field (Background and
Rationale), what was intended (Purpose and Objectives), how the study was done and why it was done that way (Methodology, Scope, and Limitations), and some overview of what is to come (Organization of the Dissertation).

Background and Rationale

The following quote from Trist (1971) is the essence of the rationale for this study:

Very little is known in social science about how to bring about relatively rapid value change in areas of central concern in large organizational populations. Usually such value changes come about very slowly—over a period of several years. Unless we learn how to bring them about much more rapidly, adaption to a faster change rate will not be possible. (p. 199)

It is the intent of this study to contribute to such learning.

Change is now a way of life. To state that we are in an era of rapid change is to state the obvious—a truism on its way to becoming a cliché. To detail evidence of this truth is to be redundant. To say that learning to cope with change is a critical set of skills is to be trite.

"Change is the biggest story in the world today" (Bennis, 1969, p. 1), and it is affecting all institutions—corporations, unions, communities, governments, schools and universities, societies, and even the international order. And, added Bennis, "We are not coping with it adequately" (p. 1). Gardner added:

What may be most in need of innovation is the corporation itself. Perhaps what every
corporation (and every other organization) needs is a department of continuous renewal that could view the whole organization as a system in need of continuing innovation. (Bennis, 1969, p. 2)

"Every other organization" includes educational institutions. Educational systems need change just to keep up and educational leaders find themselves in an "innovation predicament" faced with the pressure to innovate on the one hand and, on the other, with resistance to the introduction and implementation of innovation while armed with only inadequate empirical knowledge of the process of change and innovation (Peets, 1970, pp. 1-2). The very use of the term "educational leadership," as opposed to "school administration," suggests bringing about change in education rather than maintaining the "status quo."

Yet, while change is occurring in or to all of our social systems, much of it is neither deliberate nor planned. Much organizational change—whether, for example, in schools, communities, or corporations—is reactive in nature. That is, the organization changes solely as a reaction to outside pressure—from such forces as legislation, economic conditions, consumer groups, changing cities, and changing work or student populations. This reactive approach to change is not the sort of internal, proactive approach suggested by Gardner in his call for a "department of continuous renewal."

Such a function is attempted, however, by departments of Organization Development (OD) now established within many
organizations. Organization Development as a function is, in a way, both a response (or reaction) to the increasingly rapid rate of change as well as a vehicle for proactively and deliberately causing change to occur. It is "widely used as a modality for producing change" (Nielson, 1977), while at the same time "is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structures of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself" (Bennis, 1969, p. 2).

It is a planned process for increasing organization effectiveness and health through interventions based on behavioral science knowledge (Beckhard, 1969).

As a specific approach to organizational change, Organization Development is a subject of analysis of this study. Brimm (1975) distinguished between studies of organization change in general and Organization Development in particular as follows: "While numerous studies and analyses have sought an understanding and conceptualization of organization change, OD is concerned with the active task of changing organizations" (p. I-1). He further suggested that this "nuance of language" causes OD to be a desirable focus of study because,

... first, there is a currency to the theory and practice of OD. While people have designed and altered organizations throughout the social history of man, current efforts are generally subsumed under the label of organizational development. . . .

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Secondly, interest in the active task of changing organizations provides a basis for bridging a theoretical analysis to its practical implications. (pp. I-1-2)

In this latter case, the author shares with Brimm his preference for "conceptual analyses which have direct implications for understanding and acting upon events of the immediate world" (p. I-2).

Moreover, while very much in currency, the enthusiasm for this "nouvelle vague" (Kimberly, 1977) is matched by "relatively few examples which systematically assess the impact or effectiveness of OD in producing change" (Nielsen, 1977). Some few models for social system change exist based on the more general research into the change process (Beckhard, 1969; Dalton & Lawrence, 1970; Greiner, 1967; Havelock, 1970, 1971; Rogers, 1962; Rothman, 1974; Watson, 1969), but even fewer represent research on OD as the approach to change.

More scarce yet are studies, or models based on empirical studies, of change agent behavior in the change process, especially when the change agent is an OD consultant. Managers who function as change agents are included in some models (Dalton, 1970; Greiner, 1967) as are agricultural extension agents, Peace Corps workers, and medical workers (Rogers, 1962) or teachers and school administrators (Havelock, 1970, 1971) but not, for the most part, OD consultants, and especially not those located internal to the organization.

This, despite the fact that "since 1965 we have seen a rapid
increase in the development and use of internal consultants. . . . Organization development consultants and others have become an internal source of help to organization problem solvers. . . . But effective consultation is not a simple process. Organization managers, as well as consultants, find it difficult to know why so many consulting situations seem ineffective" (Lippitt & Lippitt, 1977, pp. 129-130).

Perhaps O'Connell (1968) summed up best:

Obviously it is too early for a general theory of organizational change. The social scientists involved can have faced only a narrow range of situations in application of their somewhat restricted techniques. Only very recently have participant-observer and nonparticipant-observer studies of such projects appeared in the literature. It will be some time yet before social scientists not directly involved will have data rich and complete enough on which to base a general theory. While social-science practitioner and management-consultant practitioner have just recently begun some formal dialogue in search of mutual enlightenment, to the researcher's knowledge, no careful study exists in the literature of the professional management consultant at work assisting a client in organizational change. This gap in the literature—in large measure explained by the consultant's professional and commercial responsibility to his clients—stands in the way of theoretical development of the field of organizational change. The persons having the most experience with organizational change have not enriched the literature with their experiences nor have direct observers been present to record such data. Only when the empirical record shows a range of studies of many kinds of change agents at work in many different situations will theorizing be well founded. (p. 2)

This study is intended to fit into the literature gap described and to add to the richness of that empirical record.
Purpose and Objectives

The purpose of this study will be to document an attempt at introducing social system change and to develop a model for OD consultant behavior in initiating change in large social systems. The model will be based on a review of existing models and on the documentation referred to above in the form of a participant-observer study of one attempt to initiate change in one such system.

There are three specific objectives in this study. First, the desire to add to the empirical base in the field of organization change and more specifically Organization Development. As O'Connell (1968) suggested, "Clinical case studies are a necessary preliminary step in scientific progress in this area" (p. 14).

The second and third objectives are intended to further understanding of change based on this empirical knowledge. The second objective is to analyze the relative success or lack of success of the change effort described (especially the critical initial or launch phase to be defined in the section on methodology) in light of existing models. Finally, to meet a third objective, general conclusions about the initiatory stages of the change process are conceptualized in the form of a model.
Scope and Limitations

The study consists of a participant-observer case description, an analysis of that description, and a model for initiating change. Chapter III will discuss the methodology in detail, but because of the nature of participant-observer studies in general and, in particular, one in which the observer is a very active participant—in fact, one of the key subjects of the observation—probably more than a cursory note on scope and limitations is necessary.

The author was the key change agent, the primary OD consultant, involved in this case. His activities are described for a 6-month period in attempting to initiate an OD change process in General Motors-Holden's Pty. Limited, the wholly owned Australian subsidiary of the General Motors Corporation. A further summary of the state of the change process 6 months later and 2 years later is provided. These latter data will come from the author's records, company records and documents, and from reports of an OD consultant who succeeded the author on the project. The analysis will be based on, and the model inferred from, the author's experiences in interaction with others from this organization as well as on a review of existing literature and models.

The limitations on a study of this nature are many, but many advantages exist which are often overlooked. After making a strong case for field research in general, Bouchard
(1976) said:

In spite of the low esteem in which participant observation is held by the "scientific community," it is worth noting that a number of the classic studies in industrial and organizational psychology are based on this methodology (Blau, 1963; Dalton, 1959; Gouldner, 1954; Selznick, 1949). This much maligned method . . . has strengths which compensate for the weaknesses of other methods. (p. 385)

Three advantages he cited are focusing the research on actual behavior rather than on interview or test-taking behavior; forcing the researcher to look at the integrated wholeness of the system; and putting the investigator in the "context of discovery" (p. 385), or what Merton called "the serendipity pattern of social research," referring to "the fairly common experience of observing an unanticipated, anomalous strategic datum which becomes the occasion for developing a new theory or extending an existing theory" (Bouchard, 1976, p. 385).

O'Connell (1968), as cited earlier, referred to the need for clinical research in advancing science in this area, and this study is certainly, at least in part, a case of that--far removed on a continuum from laboratory-controlled quantitative methodologies.

Ideals of researcher objectivity, neutrality or independence are effectively precluded by organizational membership. Standards of replicability and experimental control are foregone as the researcher becomes part of the studied system's evolving history. However, the sacrifice of these attributes . . . appears to be no greater than in other methodologies for social science research [emphasis mine]. [In regard to replicability]
studies of on-going social systems preclude traditional scientific rigor in an inability to control sufficient variables and researcher contamination. The researcher cannot return in time to readminister his survey questionnaire to the same sample! The very fact of his previous administration of the instrument and the passage of time creates an alteration of conditions which may significantly impact on findings. (Brimm, 1975, pp. II-2)

Brimm made similar arguments regarding the criticisms having to do with researcher bias, pointing to other studies that either (1) cite bias factors in other types of "more respectable" methodologies, or (2) argue for the advantages of participant-observer studies.

This study, like many others of its genre is based on an N of 1, a single-case study, the underlying assumption for which is that from the understanding of this one system's experience valid inferences may be made to other systems. Indeed, some classic studies already alluded have done just that! But this study has the added ingredient that it was done in Australia, which, of course, in strictest terms may limit it further. However, it was the author's experience that the issues found in the company in Australia were largely the same as those he found in his consulting experience before and since in hundreds of organizational units in North America as well as in a broad examination of the literature attesting to the experience of others in organizational development. What's more, Australian enterprise operates in a Western, industrialized democracy similar to most cultures in which research of that kind has been done. Certainly
there were unique elements to this case as there are to any. These will be pointed out in the case description and to that extent the metaphoric nature of the case is limited. However, these turn out to be relatively minor in the context of the overall study.

Finally, in addition to the limitations in all participant-observer studies, this one has a very active participant—a key actor in the drama—as the observer. Despite the obvious exaggeration to the usual limitations, exaggerated advantages can also be cited. Johoda, Deutsch, and Cook (1951) pointed out:

The importance of active participation for research is not limited to assuaging suspicions, establishing rapport, or enhancing the "natural-ness" of the observer's position in the [system]. Its main function for research consists in opening new avenues of understanding the [system]. Through intensive participation in [the life of the system], the observer exposes himself to experiences which give him a firsthand knowledge of the more subtle pressures and counterpressures to which members of the [system] are exposed. His introspection about his own experiences as a participant represents one of the most fruitful means of understanding the [system's] characteristics [emphasis mine]. Moreover, active participation opens the door to sources of information which would otherwise remain closed to him.

A personal and introspective account is intended. It is hoped the limitations will be balanced by the richness of clinical detail this might offer future researchers who may have an interest in examining this case.

Two final quotes sum up the essence of the argument, the first from Gouldner, the second by Darwin:
Whether or not it should be, social theory is always rooted in the theorist's experiences. Whether or not it should be, the sensed validity of a theory depends therefore upon the sharing of experience and of the sentiments to which such experience gives rise, among those who offer and those who listen to the theory. (Brimm, 1975, p. II-5)

How odd it is that anyone should not see that all observation must be for or against some view, if it is to be of any service. (Johoda et al., 1951, p. 130)

Organization of the Dissertation

There are nine additional chapters in this study. Chapter II will review literature in the areas of the change process, change models, "change agency," and OD consulting and adoption and diffusion of innovation as it applies to this case. While some historical perspective is provided, emphasis is on recent literature. Chapter III gives a detailed description of the methodology, especially focusing on participant-observer methods and model-building. The case data for the initial 6-month launch period are presented in Chapters IV through VII. Chapter VIII provides the perspective of two later time periods, 6 months and 2 years after launch. An analysis of the case in light of existing models makes up Chapter IX. In Chapter X, a model for initiating change in social systems is presented based on (1) a review of existing models and (2) conclusions reached from the analysis of the clinical case data. Chapter X suggests practical implications for organization change and development in
general and for educational leadership in particular, as well as recommendations for further research.
CHAPTER II

MODELS OF CHANGE: AN OVERVIEW

The truth seems to be that we still know too little about the way in which organizations [are] modified. The simple question has not been asked enough: "Who does what, when, where, how, with whom, and how often?" (Guest, 1962, p. 153)

Introduction

The literature abounds with statements to the effect that we need to understand better the process of change, particularly how to cause planned change rather than reacting and, in Pelligrin's phrase, being "buffeted about by the pressures and demands of society" (Peets, 1970, p. 18). Peets (1970) summarized much of the literature on change and innovation as it applies to education and summed up with: "There seems little question that there exists great interest in educational change . . . yet . . . problems persist and change fails to take place" (p. 19).

There is a similar plethora of print decrying lack of both sufficient knowledge (e.g., Guest, 1962; O'Connell, 1968; Rothman, 1974) and theory (e.g., Alderfer, 1976; Bennis, Benne, & Chin, 1969) of the change process in social systems more broadly, including social welfare, communities, and much in business and industrial organizations. Bennis
et al. (1969) stated flatly:

Unfortunately, no viable theory of social change has been established. Indeed it is a curious fact about present theories that they are strangely silent on matters of directing and implementing change. What I particularly object to . . . is that they tend to explain the dynamic interactions of a system without providing one clue to the identification of strategic leverages for alteration. They are suitable for observers of social change, not practitioners. They are theories of change, and not of changing. (p. 64)

This study is meant to be of help to practitioners and to contribute to, in Bennis' terms, a theory of "changing."

The outcome of this study is a model for initiating change consistent with an Organization Development approach. The first step in building this model is the following review of existing models and related literature. First, very general models of change are reviewed followed by models of adoption and diffusion of innovation, organization change, and "change agentry" or consulting for change, and overcoming resistance to change. Finally, there is a summary discussion of the "state of the art" relative to change models.

General Models of Change

In a paper that focuses on changing in education, Chin and Benne (1969) traced historically and attempted to classify conceptually "general strategies and procedures for effecting change" (p. 32), even then, however, conceding that they must limit their discussion to planned changes lest they
face the need to encompass vast quantities of the literature of modern behavioral science. They developed a typology of strategies including (A) empirical/rational, (B) normative/reeducative, and (C) power/coercive, and delved into the main roots of each. These are shown in some historical perspective in the model in Figure 1. The authors did not suggest that they are mutually exclusive strategies, although certainly some conflicting assumptions are at the base of each. In common, however, they found "in all approaches to planned change is the conscious utilization and application of knowledge as an instrument or tool for modifying patterns and institutions or practice" (p. 33).

By their own admission, these authors made no attempt to differentiate strategies by size or level of analysis (individual, small group, organization, community, culture); rather, they assumed that the process of change is the same at any level or size and put their general focus on strategies for individual change. This would seem to ignore some of the work of systems-oriented practitioners and researchers (e.g., Alderfer, 1976; Emery & Trist, 1965; Katz & Kahn, 1966). Katz and Kahn (1966), for example, conclude that "systemic change . . . is the most powerful approach to changing human organizations" (p. 451). There was, in the body of the Chin and Benne paper, only the slightest recognition of the important stream of work and thought that has grown out of the sociotechnical tradition--and no mention at all in the model shown in Figure 1.
A. RATIONAL—EMPIRICAL
VIEWS OF THE ENLIGHTENMENT AND CLASSICAL LIBERALISM

B. NORMATIVE—
VIEWS OF THERAPISTS,

Figure 1. Strategies of Deliberate Changing.
Figure 1. (Continued.)
Bennis (Barnes, 1969) listed seven change approaches other than planned change (Indoctrination, Coercive, Technocratic, Interactional, Socialization, Emulative, and Natural) and added his own typology in the planned change area: exposition and propagation, elite corps, human relations training, staff, scholarly consultations, circulation of ideas to the elite, developmental research, and action research (Bennis et al., 1969). Pointing out weaknesses of bias in each of these approaches to change, they too concluded with a critique of the lack of a systems approach. In this same vein, Greiner (1967) identified, from his review of the literature, seven "most commonly used approaches": Decree, Replacement, Structural, Group Decision, Data Discussion, Group Problem Solving, T-Group. Both the Bennis and Greiner typologies emphasized power distribution, as Barnes (1969) observed, and power redistribution in the direction of broadly distributed and mutually shared power mark much of the work in the field of Organization Development. A final typology offered here is taken from Olmosk (1972), who described the seven approaches he saw being used most often as "Seven Pure Strategies of Change": Fellowship Strategy, Political Strategy, Economic Strategy, Academic Strategy, Engineering Strategy, Military Strategy, Confrontation Strategy, and what Olmosk called the Applied Behavioral Science Model. He cautioned that they seldom appear in their pure form, but did suggest that there is typically a dominant strategy modified by one or two of
the other approaches. Olmosk's descriptions are summarized below:

1. Fellowship
   a. **Basic assumption.**—If we have good warm interpersonal relations, all other problems will be minor.
   b. **Inclusion.**—Get everybody in.
   c. **Influence.**—Everybody equal.
   d. **Perceptual approach.**—Accepts all. Shuts out none.
   e. **Emotional needs.**—Warmth, love and trust.
   f. **Good at.**—Mobilizing initial energy.
   g. **Chronic problems.**—Financial support. Actual implementation of decisions. Maintaining long run commitment.
   i. **Most often used by.**—Churches. Volunteer organizations. Groups with limited power.

2. Political
   a. **Basic assumption.**—If all the really influential people agree to do something, it will be done.
   b. **Inclusion.**—Get everyone in who possesses power.
   c. **Influence.**—Based on level and breadth of perceived power.
   d. **Perceptual approach.**—Stereotype. Ignore individual differences unless they relate to power.
   e. **Emotional needs.**—Control and attention.
   f. **Good at.**—Mobilizing power. Implementing decisions once made.
   g. **Chronic problems.**—Maintaining credibility. Fighting backlash.
h. Questions suppressed.--Is my action consistent with my value system?

i. Most often used by.--Those already in power.

3. Economic

a. Basic assumption.--If we have enough money or material wealth, we can buy anything or any change we want.

b. Inclusion.--Based on possession of marketable resources.

c. Influence.--Based on perceived wealth.

d. Perceptual approach.--Materialistic.

e. Emotional needs.--Control and rationality.

f. Good at.--Implementing decisions once made.

g. Chronic problems.--Maintaining change and/or satisfaction. Few people or groups have unlimited resources.

h. Questions suppressed.--Is it ethical? Most feelings.

i. Most often used by.--Corporations. The very wealthy.

4. Academic

a. Basic assumption.--People are rational. If you present enough facts to people, they will change.

b. Inclusion.--Based on possession of knowledge and facts.

c. Influence.--Based on specialized knowledge and expertise.

d. Perceptual approach.--Analytical and detached.

e. Emotional needs.--Autonomy and rationality.

g. Chronic problems.--Implementing findings. Mobilizing energy. Getting people to pay attention or read reports. Time consuming.

h. Questions suppressed.--How do I feel about results? How should results be used?

i. Most often used by.--Outsiders. People in staff positions.

5. Engineering

a. Basic assumption.--If the environment or surroundings change, people have to change.

b. Inclusion.--Based on possession of technical skills.

c. Influence.--By changing structure or task environment.

d. Perceptual approach.--Task relevance and rationality.

e. Emotional needs.--Rationality, clarity and structure.

f. Good at.--Being aware of surroundings and/or environment.

g. Chronic problems.--Gaining acceptance for change. Dealing with unexpected consequences. Time consuming. Few people can control structure.

h. Questions suppressed.--How will people feel about it?

i. Most often used by.--Top management.

6. Confrontation

a. Basic assumption.--If we can mobilize enough anger and force people to look at problems around us, the required changes will be made.

b. Inclusion.--Based on ability to deal with and use conflict.

c. Influence.--By non-violent argument.

d. Perceptual approach.--Narrow belief in "Truth."
e. **Emotional needs.**--Expression of anger. Expression of self.

f. **Good at.**--Forcing people to look at issues they may not want to acknowledge. Gaining attention and publicity.

g. **Chronic problems.**--Finding alternatives. Dealing with backlash.

h. **Questions suppressed.**--Is anything in opponent's argument worthwhile?

i. Most often used by.--Revolutionary students. The poor. Unions.

7. **Military**

a. **Basic assumption.**--If we possess enough physical force, we can make people do anything.

b. **Inclusion.**--Based on possession of physical power.

c. **Influence.**--By fear of authority and threat of punishment.

d. **Perceptual approach.**--Exploit for use of power structure.

e. **Emotional needs.**--Control, status and security.

f. **Good at.**--Keeping order.

g. **Chronic problems.**--Rebellion. Can never relax.

h. **Questions suppressed.**--Who should "really" make decisions? Is it "right"?

i. Most often used by.--Military. Police. "Weathermen."

8. **Applied Behavioral Science**

a. **Basic assumption.**--Most problems are complex and overdetermined. A combination of approaches is usually required.

b. **Inclusion.**--Based on including as many of those effected as possible.
c. **Influence.**--Based on knowledge and the degree to which the decisions will effect them.

d. **Perceptual approach.**--Eclectic but situation centered.

e. **Emotional needs.**--Emotional and intellectual integration.

f. **Good at.**--Using as much information as possible.

g. **Chronic problems.**--Making itself understood. Not appearing "wishy-washy."

h. **Questions suppressed.**--How should I "really" do it? Do you really know what you are doing?

i. **Most often used by.**--Human relations consultants, organization development consultants.

All of the above typologies, as models, are interesting and helpful at a descriptive level. That is, they do provide the student and the practitioner of change some understanding of the range of options available in the strategic repertoire and, in the discussion of the types, some understanding of advantages and disadvantages, strengths and pitfalls. However, they fall far short in providing useful action guidelines for either change agents or client systems. Further, as is in the nature of typologies, they lack synthesis or even integration and the lack of a "systems approach" has already been pointed out. Most of all, however, the missing element is the lack of any feel for process.

In the next two sections of this chapter, models will be examined that focus on the process of change.
Adoption and Diffusion of Innovation

A fairly rich vein of research is found in reviewing studies of adoption and subsequent diffusion of innovations by social systems. "Adaptability" as a measure of school system openness to change is part of a long tradition starting with Mort (e.g., Mort & Cornell, 1938) and continuing with D. H. Ross (1958), Miles (1964), Carlson (1965), and P. F. Ross (1974). Moreover, Rogers (1962) and his colleagues have done seminal work in this field in a broad range of social systems covering a broad range of types of innovations.

This field of study concerns itself with the communication and adoption of new ideas. Rogers' model included: "(1) the innovation, (2) which is communicated through channels, (3) over time, (4) among members of a social system" (Rogers & Shoemaker, 1971, p. 18).

Like others in this general field, Rogers made no distinction as to the kinds of innovation being adopted or diffused. The innovations studied included new consumer products, new medical practice, and the use by farmers of hybrid corn, for example. However, he did make some useful observations regarding the attributes of innovations as they are related to adoption and diffusion. He concluded, first, that faster adoption will occur the greater the relative advantage of the innovation. In other words, how much better
than present practice is the new practice? Second, compatibility of the innovation with past experiences of potential adopters will affect the rate of spread. The greater the degree of compatibility, as contrasted with innovations requiring major formation of new habits, the more rapidly the innovation will spread. Third, Rogers found an inverse relationship between the adoption rate and the level of complexity of the innovation, that is, the easier the innovation is to understand the more quickly it is adopted. Fourth, the divisibility of the innovation correlates directly with the rate of diffusion, innovations that can be tried in part or by part of the target population diffusing more rapidly than those that must be accepted as a total package. The fifth and final attribute is how easily the innovation can be explained or communicated. The easier it is to show or tell about, the more rapid the adoption. Many of the above generalizations, based on Rogers' extensive review of research, support principles for overcoming resistance to change by Watson (1969), which will be discussed later in this chapter.

Organization Development, when considered as the innovation to be adopted and diffused, does not stand up well with the above criteria. Its relative advantage has sometimes been demonstrated, but sufficient numbers of "failure" or "no affect" have occurred that the picture is not a clear one. For that matter, most "successes" are ambiguous enough
or the causal factors unclear enough to make even the relative advantage of the winners difficult to demonstrate convincingly. The innovation can be made to be perceived as compatible with Western cultural values of fairness, egalitarianism, the "Golden Rule" (the general Judeo-Christian ethic); however, in many industrial organizations these espoused values are not always the ones acted upon. Implicit values, such as production at any cost (especially human cost), have been known to shape behavior in some organizations and, while OD can be seen as valuing increased productivity, it runs into conflict with "at any cost." Further, OD as a "subset of knowledge and practice represents a distillation of theory and research" (Brimm, 1975, p. I-2) in the field of applied organization behavior. As such, it is of sufficient complexity as to render it difficult to communicate easily—both attributes slowing the adoption/diffusion rate. It can be made somewhat divisible and therefore has one out of the five in its favor.

Compounding the confusion somewhat is the fact that OD is, in a sense, both the innovation to be adopted and the process for adoption and diffusion.

In regard to the process, Rogers referred to communication through channels, over time, in a social system. The communication takes place between a source (e.g., an inventor, a change agent, or an opinion leader) and a receiver (member of a social system). Channels include mass media and/or
interpersonal. Effects of this communication include more receiver knowledge regarding the innovation, a change in his attitudes toward it, and eventual adoption or rejection. The adoption process as outlined by Rogers included stages of (1) awareness, (2) interest, (3) evaluation, (4) trial, and (5) adoption. In a slightly different formulation, Havelock included four stages: (1) awareness, (2) knowledge, (3) trial, and (4) adoption. In regard to communication, then, Havelock (1971)—largely backed up by Rogers—suggested that stages 1 and 2 (awareness and knowledge) are most efficiently and effectively brought about through mass media approaches, while the trial and adoption stages require personal contact with opinion leaders.

The stages occur over time, according to Rogers, at differential rates for different members of the social system. Figure 2 shows his classification system of adopters based on how early or late they are likely to adopt the innovation. Table 1 shows characteristics of these categories based on Rogers' findings. A second important aspect of the time dimension is the shape of the diffusion curve, indicative of the rate of diffusion. Rogers, in investigating the cumulative diffusion level, found an S-shaped curve to be the norm. This is shown in Figure 3. This represents a prolonged introduction period, followed by a steeply rising period of diffusion, followed by a leveling-off.
Figure 2. Generalized Noncumulative Diffusion Pattern (Rogers, 1962).
Table 1
Summary of Characteristics of Adopter Categories (Rogers, 1962)

<table>
<thead>
<tr>
<th>Adopter Category</th>
<th>Salient Values</th>
<th>Personal Characteristics</th>
<th>Communication Behavior</th>
<th>Social Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovator</td>
<td>&quot;Venturesome&quot;; accepts risks; scientific</td>
<td>Highest status; wealthier; high education</td>
<td>Contact with scientific sources and other innovations; more impersonal contacts</td>
<td>Some opinion leadership; very cosmopolitan</td>
</tr>
<tr>
<td>Early adopter</td>
<td>&quot;Respect&quot;; regarded by others as role model</td>
<td>High status; above-average education; empathetic</td>
<td>Contact with local change agents; local leaders</td>
<td>Greatest opinion leadership; localite; social participation</td>
</tr>
<tr>
<td>Early majority</td>
<td>&quot;Deliberate&quot;; adopt only after peers have adopted</td>
<td>Above-average status; above-average education; empathetic</td>
<td>Contact with local adopters &amp; change agents; many informal contacts</td>
<td>Some opinion leadership; social participation</td>
</tr>
<tr>
<td>Late majority</td>
<td>&quot;Skeptical&quot;; pressure needed before adoption</td>
<td>Below-average status &amp; education; small income; dogmatic</td>
<td>Secure ideas from peers--less use of media; little activity in organizations</td>
<td>Little opinion leadership or social participation</td>
</tr>
<tr>
<td>Laggard</td>
<td>&quot;Tradition&quot; oriented; fear of debt</td>
<td>Lowest status; lowest income; oldest; dogmatic</td>
<td>Secure ideas from neighbors, friends &amp; relatives; semi-isolates</td>
<td>Very little opinion leadership or social participation</td>
</tr>
</tbody>
</table>
Figure 3. Generalized Cumulative Diffusion Pattern (Rogers, 1962).
Rogers also found differing characteristics of the social system itself to have differing affects on adoption. Rothman (1974) summarized these well and added supportive data from his exhaustive review of recent research in social change. He wrapped the findings into important generalizations and corollary action guidelines for practitioners. These generalizations included finding high innovativeness positively related to such target system characteristics as "a modern orientation" (p. 424), high socioeconomic status, previous positive experience (and absence of previous negative experience) with innovations, felt need or discontentment, and supportive value orientations including "liberalism, scientism and non-authoritarianism" (p. 435). Rothman found size in and of itself not a determining variable, but when large size is accompanied by greater organizational slack (available resources) and the employment of more and higher level professionals than small organizations, they are more likely to adopt a larger number of innovations. This is even more true of decentralized organizations. Smaller organizations tend to adopt fewer innovations but do so to a more intensive degree. Rogers' general model as presented by Rothman is shown in Figure 4.

In a similar vein, Peets (1970), in studying innovativeness in Michigan school districts, found positive relationships with system characteristics such as willingness to expend a high level of money, high superintendent status,
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Actor's Identity
1. Security-anxiety
2. Values
3. Mental ability and conceptual skill
4. Social status
5. Cosmopoliteness
6. Opinion leadership

Information Sources
1. Cosmopoliteness
2. Personal-impersonal

Perceptions of Situation
1. Social system norms on innovativeness
2. Economic constraints and incentives
3. Characteristics of the unit (farm, school, business)

Perceived Characteristics of the Innovation
1. Relative advantage
2. Compatibility
3. Complexity
4. Divisibility
5. Communicability

Key: I = Awareness; II = Interest; III = Evaluation; IV = Trial; V = Adoption

Figure 4. Paradigm of the Adoption of an Innovation by an Individual Within a Social System Process (Rothman, 1974, p. 423).
more open-minded administrators, younger and better prepared teachers, and a high level of goal congruence among different levels of the system.

In summary, the findings of this school of research can be of immense help to a practicing change agent. Nevertheless, they do not encompass the complete story. Despite the wide variety of researches from a fairly long tradition, Ross (1974), himself a student in this mainstream with a major interest in school district innovation, concluded:

It seems fair to say that the literature on organizational behavior in innovation adoption as compared with the work on behavior of individual adopters, lacks consensus on even a few major conditions affecting innovation adoption, has not worked with care on the indicators of adaptability, and generally fails to test its observations using models... relating environmental and internal conditions to organizational behavior in adoption performance. (pp. 25-26)

Moreover, according to Chin and Benne (1969), this tradition assumes "a relatively passive recipient of input in diffusion situations" (p. 41). They added:

A clearer view of processes of diffusion must include the actions of the receiver as well as those of the transmitter in the transactional events which are the units of diffusion process. And strategies for making diffusion processes more effective must be transactional and collaborative by design. (pp. 41-42)

In this regard, Sashkin (1974) described six approaches to change, three of which he called "adoptive," and three of which he called "adaptive." The first category is in the adoption/diffusion of innovation tradition, while the second is aimed at helping "the client become more adaptable, more
open to change, and able to change in needed ways" (p. 209). In the latter instance, the goal is to cause the target social system to approximate more closely the characteristics Rogers, in Rothman's summary above, would use to classify it as an innovative system. This confounds further the dilemma referred to earlier when OD is the innovation to be adopted and the process for adoption. We now add that a major goal is to increase the adaptive capacity of the target system. Finally, Bennis et al. (1969) suggested, "As far as adopting and acceptance, we already know a good deal. . . . What we know least about is implementing" (p. 77).

The next section, an overview of organization change models, puts the "receiver" in a more active mode and begins to suggest implementation processes.

Organization Change

Perhaps the beginning of models of organization change in contemporary social science is the now famous one by Lewin (1958). He identified three phases in the change process: unfreezing, changing, and refreezing. Lewin said the system (or key members of the system) must first feel some pain, or at least recognize the need to find a better way. This usually requires an unfreezing event or events. The initiation of a new idea, process, structure, technology, or fundamental new approach or approaches occurs in the change stage. The refreezing stage is a period of consolidating new
approaches and restabilizing. This model has continued to be useful for both students and practitioners and as a general model has stood the test of time, research, and experience.

Other early models focused on the what question: What is to be changed? Leavitt's formulation included three approaches: structure, technology, and people; changes in one or more of which, he said, would lead to changes in the ultimate what, the task (Greiner, 1970). After acknowledging the existence of change goals such as better performance, increased adaptability, greater motivation, and the like, Greiner and Barnes (1970) suggested two objectives underlying all attempts at organization change: "Changes in an organization's level of adaptation to its environment, and changes in internal behavioral patterns of employees" (p. 2). Alderfer (1976) came to much the same conclusion out of open systems theory, referring to boundary permeability and relationship mutuality as the critical system phenomena to be treated in the change process, a healthy organization being one characterized by optimally open boundaries and relatively high levels of mutuality in internal and external relationships.

Likert (1961) developed a model based on the what question to which he added the important feature of "time lag." According to this theory there are three sets of variables: (1) causal--such as organizational climate and leadership
behavior; (2) intervening—such as communications, control, decision-making, and motivation; and (3) end results—such as productivity, costs, profits, and satisfaction. By making changes in the causal variables, Likert said, changes will be affected in turn in the intervening and end result variables. However, the model holds, these subsequent changes occur only after a lag in time. Considerable time may pass between the time a change is made in the causal factors and the time that shows up in the end results. How much time, Likert says, is a function of the size and complexity of the organization, but his findings indicate a 3- to 5-year time lag in reasonably large, complex systems.

Since the main concern of this study is the process, however, we return for a starting point to Lewin. His model introduced the fundamental concept of understanding change as taking place in a series of stages. Subsequent research has supported this notion and expanded upon it.

Greiner, for example, examined a number of studies of organization change—both failures and successes—in an attempt to find common patterns. In particular, he asked, is there a common success pattern and a common failure pattern? He found a common pattern of success, in fact, while failure did not seem to have any pattern at all. One might say that the pattern of failure was that it was without pattern. The success pattern is shown in Figure 5. Greiner described the series of stages as follows:
Figure 5. Dynamics of Successful Organization Change (Greiner, 1967, p. 126).
1. The organization, and especially top management, is under considerable external and internal pressure for improvement long before an explicit organization change is contemplated. Performance and/or morale are low. Top management seems to be groping for a solution to its problems.

2. A new man, known for his ability to introduce improvements, enters the organization, either as the official head of the organization or as a consultant who deals directly with the head of the organization.

3. An initial act of the new man is to encourage a reexamination of past practices and current problems within the organization.

4. The head of the organization and his immediate subordinates assume a direct and highly involved role in conducting this reexamination.

5. The new man, with top management support, engages several levels of the organization in collaborative, fact-finding, problem-solving discussions to identify and diagnose current organization problems.

6. The new man provides others with new ideas and methods for developing solutions to problems, again at many levels of the organization.

7. The solutions and decisions are developed, tested, and found creditable for solving problems on a small scale before an attempt is made to widen the scope of change to larger problems and the entire organization.

8. The change effort spreads with each success experience, and as management support grows, it is gradually absorbed permanently into the organization's way of life. (pp. 124-125)

The sequence is not unimportant in that all success followed this sequence while failure was characterized by a variety of starting points and illogical gaps in sequence.

Clearly, in addition to focusing on sequence, the
Greiner model also put emphasis on the use of power. Greiner found all successful change attempts characterized by the use of shared power—as shown in the eight steps—whereas failure was characterized by power use at either the unilateral end or completely delegated end of a power continuum.

Beckhard (1969) also examined the issue of success and failure in organization development efforts and listed the following conditions as necessary for success:

1. There is pressure from the environment, internal or external, for change.
2. Some strategic person or people are "hurting."
3. Some strategic people are willing to do a real diagnosis of the problem.
4. There is leadership (consultant, key staff man, new line executive).
5. There is collaborative problem identification between line and staff people.
6. There is some willingness to take risks in trying new forms or relationships.
7. There is a realistic, long-term perspective.
8. There is a willingness to face the data of the situation and to work with them on changing the situation.
9. The system rewards people for the effort of changing and improvement, in addition to rewarding them for short-term results.
10. There are tangible intermediate results. (p. 97)

Further, Beckhard (1969) listed conditions for failure:

1. A gap between what top management says and what it does.
2. A flurry of activities without a solid base of change goals.

3. Confusion of ends and means.

4. Short time framework.

5. No linkage between OD change efforts and other units of change in the organization, such as industrial engineering, training, systems development, etc.

6. Overdependence on either outside help or inside specialists.

7. A gap between the effort at the top and efforts in the middle of the organization.

8. "New wine in old bottles"—i.e., trying to fit a major change into an old structure.

9. Confusing "good relationships" as an end with good relationships as a condition.

10. The search for "cookbook" solutions.

11. Applying an intervention or strategy inappropriately. (pp. 93-96)

The conditions referred to by Beckhard are "sequence free," of course, in the sense that they may occur throughout the change process.

Dalton's model, however, included again the important series of stages element. He began, in an attempt to understand the experience in an organization change effort he had been tracking as well as other cases reported in research, with Lewin's familiar three stages, reworded them slightly, and added a stage between unfreezing and changing. Thus, Dalton's (1970) four stages in the change process were:

1. Tension and the need for change experienced in the system.
2. Intervention of a Prestigious Influence Agent (taken together, these two stages constitute unfreezing).

3. Individuals within the organization tested out the proposed changes (Lewin's "change" stage).

4. New behavior and attitudes were either reinforced and internalized or rejected and abandoned (refreezing). (p. 233)

Similarity can thus far be seen with the Greiner model. However, Dalton (1970) discovered that, while this was the core process in change, in the successful efforts several "subprocesses" were at work at the same time, "all moving simultaneously" (p. 233). These four subprocesses all tie to an overarching "micro" process underlying all the stages, the micro process of "social and personal learning." These learning subprocesses are "far more complex than merely acquiring new cognitive or intellectual skills from a classroom lecture. Rather, in instances where individuals are successfully influenced to change their behavior, he found that the self-esteem of those being influenced had often been threatened, prior social ties were broken, new objectives were set with outside help, experimental solutions were attempted, and, finally, increased self-confidence resulted from successful and rewarding applications of new behavior on the job" (Greiner, 1970, p. 7). The dynamic character of the four subprocesses is shown in Figure 6. When these subprocesses are combined with the sequence in the core process, a matrix model results as shown in Figure 7.
Away from:

Generalized goals
Former social ties
built around previous
behavior patterns
Self-doubt and
a lowered sense
of self-esteem
An external
motive
for change

and

Toward:

Specific objectives
New relationships
which support the
intended changes
in behavior
and attitudes
A heightened sense
of self-esteem
An internalized
motive
for change

Figure 6. Subprocesses at Work in Successful Change Efforts (Dalton, 1970, p. 233).
(Phases of Change)

<table>
<thead>
<tr>
<th>Processes</th>
<th>Setting Objectives</th>
<th>Altering Social Ties</th>
<th>Building Self-Esteem</th>
<th>Internalized Motives for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tension Experienced within the System</td>
<td>Generalized objectives established</td>
<td>Prior social ties interrupted or attenuated</td>
<td>Lowered sense of self-esteem</td>
<td>External motive for change (new scheme provided)</td>
</tr>
<tr>
<td>Intervention of a Prestigious Influencing Agent</td>
<td>Growing specificity of objectives --establishment of subgoals</td>
<td>Formation of new alliances and relationships centering around new activities</td>
<td>Esteem-building begun on basis of agent's attention &amp; assurance</td>
<td>Improvisation and reality testing</td>
</tr>
<tr>
<td>Individuals Attempt to Implement the Proposed Changes</td>
<td>New Behavior &amp; Attitudes Reinforced by Achievement, Social Ties, &amp; Internalized Values--Accompanied by Decreasing Dependence on Influencing Agent</td>
<td>New social ties reinforce altered behavior and attitudes</td>
<td>Esteem-building based on task accomplishment</td>
<td>Internalized motive for change</td>
</tr>
</tbody>
</table>

Figure 7. Dalton's Model of Induced Organization Change (Greiner, 1970, p. 7).
Dalton's model was basically derived from a review of five studies of relatively successful organization change efforts. However, he tested it further against instances of individual and group change under such diverse conditions as brain-washing or "thought-reform" in prisons to religious conversion to recovery from alcoholism to psychotherapy.

An important contribution of the Dalton model was the introduction of the concept of "the prestigious influencing agent" as an essential stage as well as actor in the change process. Greiner's model also included "a new man, known for his ability to introduce improvements" (p. 122). However, both derive from cases wherein this "influencing agent" may have been a new top manager, a new staff or department head, or a consultant dealing directly with the top manager. (In all cases, the consultant was external to the organization.) Neither zeroed in on the unique role of the professional "change agent" or, even more specifically in the present study, the internal OD consultant. The next section of this chapter focuses on this role in the Organization Development approach to change.

Organization Development and the Change Agent

During the last few years a new term, "organizational development," has been rapidly finding its way into the organization charts of American corporations. Because of the recency of this phenomenon it is sometimes difficult to ascertain the extent to which the activities carried out under this title are old activities being carried out under a new name or a new set of activities
aimed at an old but increasingly urgent problem. But one fact does emerge: there is an increasing number of men in these organizations whose primary function is to foster change. This has always been part of the job of a manager, and often a significant part; but now there is an increasing number of men in the organizations who are essentially specialists in the process of organizational change. (Dalton, 1970, p. 230)

Why consider the subject of practitioner-change agent roles? In a sense practitioner roles, translated as specific behavioral modes of operation on the part of practitioners, are at the heart of what may be termed intervention or change agentry or practice. An individual who uses knowledge, technical skills, and sensitivity in social interaction, with his own person as a major and direct instrument of impact, often plays a crucial part in professions and movements aiming to modify patterns of social arrangements. This implies that he must have a keen understanding of what roles to assume at what times and how to execute these roles to achieve maximum effect. (Rothman, 1974, p. 35)

Despite the above call for understanding, Rothman's thorough literature search caused him to caution, "Practitioner role performance is a fairly amorphous area in which not many studies were found and in which there is an almost total absence of conventional theoretical superstructure" (p. 31). Since this is the case, this section relies primarily on expository material with some reference to the thin research available. We will begin with a brief overview of Organization Development and then focus in on the role of the change agent or OD consultant in that process.

Organization Development was defined in Chapter I as a planned process for increasing organization effectiveness and health through interventions based on behavioral science.
knowledge (Beckhard, 1969). Typical "families" of interventions include diagnostic techniques, survey-feedback-action planning, team-building, intergroup techniques (and conflict management generally), job design, goal-setting and planning, education and training, and open sociotechnical systems approaches. The behavioral science underpinnings of the OD approach generally emerge from three mainstreams of social science research and activity: "(1) the laboratory training movement; (2) survey research and feedback methodology; and, basic to both of these, (3) the writings, efforts, energy, and impetus of the late Kurt Lewin" (French & Bell, 1972, p. 1). To this list of three, others would add, as a separate and important stream, the open systems stream represented by people such as Katz and Kahn, Emery, Trist, Rice, and others. These latter can be traced clearly to influences from General Systems Theorists such as Bertalanffy and J. G. Miller. Exactly where the term "organization development " came from or when it first was used is not clear, but there is fairly widespread agreement that it was first coined by Blake, Shepard, and Mouton in their work with a refinery in about 1956 or 1957 (French & Bell, 1972).

The process is various described, though the model by Frohman and Kolb (Kolb, Rubin, & McIntyre, 1971) is a fair representation of a consensus (see Figure 8). Their description of this model began to suggest the role of the OD consultant or change agent.
Figure 8. The Process of Planned Change (Kolb, Rubin, & McIntyre, 1971).
Frohman and Kolb (Kolb et al., 1971) suggested that the consultant's critical task during the scouting phase is to determine appropriate entry points into the system, focusing on understanding both the formal and informal power structure. This notion is supported by the adoption/diffusion literature regarding the critical role of opinion leaders in bringing about change. In addition to power, other writers emphasize the need in scouting to determine the "readiness" of the system for change (Beckhard, 1969, 1975; Glidewell, 1959). This sensing includes the search for the "felt needs" of the system as well as, in Beckhard's terms cited above, the degree of "pain felt by strategic" members of the system.

The best opportunities occur when problems exist for which there is no "standard" procedural or bureaucratic solution, and where the managers involved are really bothered by their difficulty in coping. Look for these problems where new technology is being introduced (e.g., computers); where a problem requires close collaboration and coordination across functional lines (e.g., "business areas"); where organizational boundaries are being changed (e.g., mergers and takeovers); where organization restructuring of any kind is taking place; where physical locations are being changed or new plants and facilities being built and commissioned; or where the organization is expanding or contracting rapidly (e.g., redundancies). (Harrison, 1971a, p. 1)

This would seem consistent with the Lewin, Greiner, and Dalton models asserting pressure as a necessary antecedent condition for change.

In addition to opinion leaders, other "strategic" system
members may need to be discovered during this scouting phase. Rogers (1962) also referred to "gate-keepers" as quite a different species. Gate-keepers may or may not lead opinion, but as legitimately constituted authorities within the formal system, they are in positions to stop the change process or allow it to occur, to shut or open the gate. While they may not need to be involved to the same extent as opinion leaders, they must be involved to the extent that they are at least "neutralized" so that they will not stop effort. Harrison (1971a) further suggested being on the look-out for "the forces in the organization which are supportive of change and improvement" (p. 1). This is supported by some of the adoption/diffusion principles of Rothman (1974) cited in the previous section. Shepard (1975) put it more succinctly when he suggested finding "a few friends" (p. 3), or "find the people who are ready and able to work, introduce them to one another, and work with them" (p. 4). Harrison (1971a) also suggested looking for multiple entry points: "a variety of people, groups, processes and problems with which contact can be made and to which help may be given" (p. 1). In searching for these entry points, the consultant was advised by both Harrison and Shepard to look for "promising arenas," "relatively healthy parts of the system . . . with individuals and groups which have as much freedom and discretion in managing their own operations as possible" (Harrison, 1971a, p. 2). Shepard (1975) again made the point strongly:
The physician-patient relationship is often regarded as analogous to the consultant-client relationship. The results for system change can be unfortunate. For example, the organization development consultant is likely to be greeted with delight by executives who see in his specialty the solution to a hopeless situation in an outlying plant. Some organization development consultants have disappeared for years because of the irresistibility of such challenges. Others have whiled away their time trying to counteract the Peter principle by shoring up incompetent managers. (pp. 2-3)

This too is supported by the Rothman generalizations reported earlier regarding system innovativeness. The general readiness question in scouting was neatly summed up in a formula by Gleicher: "C = (abd) > x, where C = change, a = level of dissatisfaction with the status quo, b = clear or understood desired state, and x = 'cost' of changing" (Beckhard, 1975, p. 45). In other words, the combination of felt need, the clarity of a goal or preferred future, and know-how regarding practical starting points must be greater than the money, time, and energy required in changing in order for change to occur. A consultant must assess all of this in the scouting period.

Entry points having been chosen, the consultant begins, in the Frohman-Kolb model, the entry process itself with building a contract (or series of contracts) with the client system. This may or may not be a legal document and often exists purely as a "psychological contract," but, in any case, it defines mutual expectations regarding how future stages in the change process will be carried out (Kolb et
While given here as an early entry issue, the dynamic nature of change calls for keeping the contract open for continual renegotiation.

The diagnostic phase of the OD process is of critical importance. Dalton described this step as

... essentially a job of drawing conclusions from an intensive diagnosis of the situation. If an analysis is to be more than an academic exercise, it must reach decisions about: (a) What are the specific problems to be corrected? (b) What are the determinants of these problems? and (c) What forces are likely to work for and against change? Answers to these questions are difficult to derive because managers are easily overinvolved or insulated from the sources of problems in their organizations. A variety of diagnostic techniques may have to be employed—such as the use of meetings, consultants, conferences, task forces, interviews, questionnaire surveys, informal conversations, and so forth. The central concern here is to gather reasonably valid information that is not skewed to fit only the biases of a few managers or a newly hired outside consultant. Because the impact of organization change can be so significant, we believe it pays to spend sufficient time in this stage to gather information from a wide range of sources and to accomplish this through a variety of data-gathering techniques. (Greiner & Barnes, 1970, p. 2)

Planning proceeds from the diagnosis. This diagnosis may turn up data that give rise to the need for "a renegotiation of the entry contract" (Kolb et al., 1971, p. 357), thus the return arrow from planning back to entry in the Frohman-Kolb model in Figure 8. Planning includes objectives to be achieved (thus working on variable $b$ in the Gleicher formula) and solutions or strategies to be tried (thus working on variable $a$).
Action has already taken place, of course. One or more people have already done something to, with, or in the system during scouting, entry, diagnosis, and planning. However, the action phase of the model refers more specifically here to the system's acting to implement those solutions or strategies agreed to in the planning phase.

Some solutions or strategies may work, some may not, but it is necessary to evaluate to know which is the case. This evaluation may involve archival performance data, surveys, critical incidents, or many other techniques. It is often a difficult phase of OD to accomplish, especially the "human systems" aspect of an OD intervention. As Jones (1975) said, "The things that can be measured precisely are relatively unimportant in human relations" (p. 116). Nevertheless, it is an important step, as Greiner (1967) found in his patterns of success wherein successful change attempts involved measuring the results of small scale trials as reinforcement for continuing the change effort. Evaluation is, in a sense, a re-diagnosis of the system or a diagnosis of the system in a new state, thus a feedback arrow in the model to planning (Figure 8). This looping phenomenon causes the OD approach to be seen as an ongoing process, rather than a program with a beginning and an end.

While the process goes on, the consultant or change agent's work with the system may end, thus the "Termination" phase. It has long been stated as a rule of thumb in OD
that the consultant's goal is to work himself or herself out of a job. This requires building internal capacity in the client system for sustaining the process. This requirement leads to the inclusion in some models of a phase called "Institutionalization."

A general concept in OD is that it is and should be a "transactional and collaborative process" (Chin & Benne, 1969, p. 42). Thus, the consultant and the client system would engage jointly in all stages shown in the Frohman-Kolb model.

That leads to a discussion of one point of possible confusion in this otherwise very helpful model. Since the process is joint, it is difficult, when just looking at the model, to sort out who is doing what, especially when the "action" phase does not appear until the fifth stage and yet the consultant has clearly been very active prior to that. Lippitt and Lippitt (1977) assisted in this regard with a model that specifically focused on the phases in consulting:

1. The phase of contact, entry, and relationship establishment.
2. The phase of contract formulation and establishing a work-relationship.
3. A phase of planning the goals and steps of problem-solving (change effort).
4. And a phase of action-taking and continuity of effort. (p. 131)

These phases were then broken down further into work foci. The resultant model could then be visualized as in Figure 9.
Figure 9. Work Foci in Phases of Consulting (Lippitt & Lippitt, 1977, pp. 131-135).

Phase I: Contact and Entry

- Work Focus 1: Initiative for making the first contact.
- Work Focus 2: Helping identify, clarify the need for change.
- Work Focus 3: Explaining the readiness for change.
- Work Focus 4: Exploring the potential for working together.

Phase II: Contract Formulation

- Work Focus 5: What outcomes are desired?
- Work Focus 6: Who would need to do what?
- Work Focus 7: Time perspective and accountability.

Phase III: Planning for Problem Solving

- Work Focus 8: Force-field diagnosis and action goal derivation.
- Work Focus 9: Planning steps, action, documentation, evaluation.
- Work Focus 10: Planning for involvement -- who and how?

Phase IV: Action Taking and Continuity

- Work Focus 11: Successful action-taking.
- Work Focus 12: Evaluation and guiding feedback.
- Work Focus 13: Revision action, mobilizing additional resources.
- Work Focus 14: Follow-up support and termination.
Similarities with the Frohman-Kolb model are obvious. For example, Lippitt and Lippitt (1977) said, "Processes of entry and contract formulation involve preliminary diagnostic activity, readiness for change and the dynamics of a working relationship" (p. 133). This would be a reasonable summary of Frohman-Kolb's "Scouting" and "Entry" phases. However, Lippitt and Lippitt did zero in more on specific consulting steps and the dilemma to be resolved in each. A further helpful contribution they made was that in their discussion of these steps they explored the role of both the external consultant and the internal consultant, a consideration left out of most of the literature which focuses almost completely on the external consultant role.

In regard to role specifically, they also developed a model of multiple "Consultant Roles," which is shown in Figure 10. This was intended to be a descriptive model and not to indicate any one role or any direction on the directive-nondirective continuum is better or worse. Nor are the roles necessarily mutually exclusive. Schuttenberg (1971) developed a similar model (see Figure 11), though it was somewhat more value-laden in the sense that fostering client dependency is contrary to norms of OD consulting generally.

Because of this value orientation, many OD consultants operate exclusively toward the nondirective end of either the Lippitt or the Schuttenberg model, and shun those roles
Figure 10. Consultant Roles (Lippitt & Lippitt, 1977, p. 136).
Consultant behavior which fosters client independence

Consultant behavior which fosters client dependence

Observer
Facilitator
Questioner
Counselor
Trainer
Advisor
Leader
Judge

Figure 11. Schuttenberg's Model of Consultant Roles (Schuttenberg, 1971, p. 9).
seen as more directive almost on ideological grounds. Rothman (1974) found considerable research supporting the notion that the consultant is better off with a rich repertoire of roles combined with sound judgment with respect to how and when and where to tap in to that repertoire:

Practitioners need to assess whether their tasks require employment of limited or multiple role sets. Many . . . are located in situations calling for an extended role set but define themselves in limited role set terms. In some cases, practitioners are unaware that they have defined themselves unidimensionally and consequently perform ineffectively by constricting the boundaries of their potential role repertoire. Sometimes such limitations are cognitive in etiology (being familiar with only certain potential roles); sometimes they are ideological (only certain roles are considered appropriate from a value standpoint). Frequently such ideological prescriptions are not fully thought through and may be dysfunctional in terms of the objectives the practitioner is seeking. The converse of the problem may also be true, that is to say, practitioners may be employing too wide a range of roles in terms of the objectives being addressed.

Diagnosis of one's role set should hypothetically contribute to effectiveness in [client system] practice. Not only might the practitioner be better able to determine the particular roles to employ under given conditions, but this framework might also help him to move from a limited to an extended role set and back again flexibly as circumstances require. As a rule of thumb, a broader role set is suggested when a practitioner is in a decentralized structure or when he is using a high-intensity approach with distrustful groups. Employing this general framework, experienced practitioners can discern many additional criteria for determining the appropriate scope of role set. (p. 64)

Further, particularly with respect to the directive-nondirective dilemma, Rothman's (1974) research review led him to conclude:
For various reasons, practitioners have sometimes failed to assume appropriate assertive roles in . . . intervention. Occasionally, there is an underestimation of "what the traffic will bear" with respect to reactions of important . . . actors and groups. Practitioners should be alert to this possibility; perhaps they should develop better tools for determining attitudes and expectations of others and the nature of boundaries thereby imposed on role performance. In assessing the proper extent of directive role performance, practitioners should take into account the situational context, goals being sought, and attitudes of . . . participants [emphasis mine]. In small groups or consensual problem solving, there is evidence that the worker should take a more directive, task-oriented role when the group atmosphere is informal. One should lean toward more nondirective, socio-emotional roles when the group atmosphere is formal. Target groups that are distrustful or that feel a sense of distance or inferiority with respect to the practitioner may react negatively to the exercise of more assertive roles; hence, the practitioner should be cautious in regard to assertiveness with such clients and constituencies until trust is established, or disparity in knowledge or skill is reduced. (p. 75)

In regard to building trust, the concept of homophily appears to play a critical part (Rogers & Shoemaker, 1971). "Homophily is the degree to which pairs of individuals who interact are similar in certain attributes, such as beliefs, values, education, social status, and the like" (p. 14). Generally speaking, "change agent success is positively related to his homophily with his clients" (p. 242). There is an almost inherent problem here, however, in that complete homophily is unlikely to lead to change and "one of the most distinctive problems in the communication of innovations is that the source is usually quite heterophilous to the receiver" (p. 15). This suggests that the change agent
attempts to develop optimum heterophily with his clients.

Sashkin (1974), in his exploration of adoptive and adaptive change approaches discussed in an earlier section of this chapter, concluded with a model that integrated role with the approach to change. This is shown in Figure 12. His three adoptive approaches derived from the field of research in the utilization of knowledge and adoption and diffusion of innovation. They are most fully reviewed by Havelock (1971) and include Research, Development, and Diffusion (RDD); Social Interaction and Diffusion (SID); and Linkage. Adaptive approaches include Intervention Theory and Method (ITM), Planned Change (PC), and Action-Research (AR). Three generalized role sets are also posited: Consultant, Trainer, and Research. As can be seen in Figure 12, different of these role sets become ascendant in different change approaches and emphasize different aspects of a given role set as well.

Blake and Mouton (1976) went even further in an attempt at integration with their "Consulcube." Consistent with their penchant for grid-like models, these two very active practitioners developed a three-dimensional grid intended as a guide for consulting. The three dimensions of their grid include: (1) Kinds of Intervention (Acceptant, Catalytic, Confrontation, and Prescription); (2) Focal Issues for Intervention (Power/Authority, Morale/Cohesion, Standards/Norms, Goals/Objectives); and (3) Units of Change (Individual,
<table>
<thead>
<tr>
<th>ADOPTIVE CHANGE MODELS</th>
<th>Consultant</th>
<th>ROLES</th>
<th>Researcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDD</td>
<td>Primary emphasis; major function of change agent is facilitating adoption of some specific innovation.</td>
<td>Not included; but some training may occur in sense that client may be taught how to obtain similar knowledge in future.</td>
<td>Research may be accomplished but this is rare and is not a part of change process or necessary to it.</td>
</tr>
<tr>
<td>SID</td>
<td>Primary emphasis; major function of change agent is facilitating adoption of some specific innovation or practice.</td>
<td>Not included, but certain members of client system may be made more aware of their roles as resources for new knowledge &amp; other members may learn to seek them out &amp; use them more effectively.</td>
<td>Research is not primary focus and not part of change process, although research done on this model has been used to &quot;refine&quot; it.</td>
</tr>
<tr>
<td>Linkage</td>
<td>Primary emphasis; major function of knowledge linker--change agent--is effective diffusion of specific technical or social innovation by creating linkages between knowledge source &amp; user; such linkages may be made permanent through roles carried out by individual linker or by linking group or as institutionalized procedures.</td>
<td>Training may occur in that client learns more effective methods for getting information from external resources; in addition, client may learn better internal data-retrieval procedures.</td>
<td>Research is not a focus, although considerable research has been done on the model and on diffusion and utilization processes; however, the model itself does not contribute to such research as part of its normal operation.</td>
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Figure 12. Comparison of Six Change Models in Terms of the Roles of the Change Agent (Sashkin, 1974, pp. 212-213).
<table>
<thead>
<tr>
<th>ADAPTIVE CHANGE MODELS</th>
<th>Consultant</th>
<th>Trainer</th>
<th>Researcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITM</td>
<td>Consultation on process only, not on content problems; but interventionist does introduce client to new methods of data-gathering, analysis, decision-making.</td>
<td>Primary emphasis on training client in new skills/methods (process oriented).</td>
<td>Emphasized to extent of training client in research skills needed for generation of valid information prior to &amp; during change process; research for development of new behavioral science knowledge is emphasized conceptually, but does not seem an integral part of the model.</td>
</tr>
<tr>
<td>PC</td>
<td>Consultation on process primarily, but also on content; for example, derivation-utilization conference introduces client to new content knowledge resources.</td>
<td>Major emphasis on training client in skills &amp; methods for creating adaptive changes.</td>
<td>Emphasized mostly in evaluation of effects of specific changes &amp; client training in certain research skills needed for data collection &amp; diagnosis; importance of generation of new behavioral science knowledge is noted, but it is not operational part of model.</td>
</tr>
<tr>
<td>AR</td>
<td>Consultation on process is emphasized, but concurrent consultation also occurs.</td>
<td>Major emphasis on research as basis for action, an important area of client training, &amp; source of new knowledge about change which can be used by behavioral science practitioners &amp; theorists.</td>
<td></td>
</tr>
</tbody>
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Figure 12. (Continued.)
Group, Intergroup, Organization, Larger Social System). The resultant "Consulcube" is shown in Figure 13. Within the cube are "one hundred cells, each of which represents the characteristics of a particular kind of intervention being applied to a particular client who is facing a particular problem of breaking out of an unproductive or self-defeating cycle" (p. 6).

It seems a fitting conclusion to this section on consulting and change agentry to present a model of such complexity and to add that even that model represents an over-simplification of the reality of the consulting job. This complexity, coupled with relatively little empirical research, leaves change agentry still much more of an art than a science.

Summary

The art (and, to the extent revealed in this review of the literature, the science) of consulting for change is indeed a complex one, and models designed either to describe or prescribe in this field must, of necessity, include consideration of some variables at the expense of others. "An analyst almost has to choose a limited number of variables which are recognized as dynamically independent and then try to work from there toward a more accurate understanding of reality" (Barnes, 1969, p. 80). Moreover, "Conceptual schemes are never right or wrong; they are only useful or
Figure 13. "Consulcube."
not for some specified purpose" (Bennis et al., 1969, p. 61).

What, then, is our purpose? The purpose of the model derived in this study is to provide a guide or guides for action for a practitioner consulting in large social systems. It may also be of some assistance to client systems who may use such consulting help. What variables must then be included? At this stage of investigation, having reviewed many existing models designed to serve their specific purpose, it would seem a model ought to combine many of the variables reviewed without becoming so complex as to lose its practical value. Perhaps it should at least start by treating the variables suggested by Guest (1962), with which this chapter opened: "Who does what, when, where, how, with whom, and how often? (p. 153). Guest said this was a "simple question," but the above literature review strongly indicates that is not the case.

However, Watson (1969) used some variables very close to these in his principles for overcoming resistance to change. His fundamental framework was to divide his recommendations as answers to three questions: "Who brings the change? What kind of change succeeds? and How is it best done--by what procedures and in what climate?" (p. 22). The similarity to Guest's question is apparent, and the Watson principles given below make it even more so:

A. Who brings the change?

1. Resistance will be less if administrators, teachers, board members, and community
leaders feel that the project is their own—not one devised and operated by outsiders.

2. Resistance will be less if the project clearly has wholehearted support from top officials of the system.

B. What kind of change?

3. Resistance will be less if participants see the change as reducing rather than increasing their present burdens.

4. Resistance will be less if the project accords with values and ideals which have long been acknowledged by participants.

5. Resistance will be less if the program offers the kind of new experience which interests participants.

6. Resistance will be less if participants feel that their autonomy and their security is not threatened.

C. Procedures in instituting change.

7. Resistance will be less if participants have joined in diagnostic efforts leading them to agree on the basic problem and to feel its importance.

8. Resistance will be less if the project is adopted by consensual group decision.

9. Resistance will be reduced if proponents are able to empathize with opponents, to recognize valid objections, and to take steps to relieve unnecessary fears.

10. Resistance will be reduced if it is recognized that innovations are likely to be misunderstood and misinterpreted, and if provision is made for feedback of perceptions of the project and for further clarification as needed.

11. Resistance will be reduced if participants experience acceptance, support, trust, and confidence in their relations with one another.
12. Resistance will be reduced if the project is kept open to revision and reconsideration if experience indicates that changes would be desirable.

D. Climate for change

13. Readiness for change gradually becomes a characteristic of certain individuals, groups, organizations, and civilizations. They no longer look nostalgically at a Golden Age in the past but anticipate their Utopia in days to come. The spontaneity of youth is cherished and innovations are protected until they have had a chance to establish their worth. The ideal is more and more seen as possible. (pp. 22-23)

This simple framework does hold some promise, though the coverage is not comprehensive enough for our purposes. Watson's focus, of course, was on overcoming resistance, and, while the principles suggest more than that, it is a focus more narrow than consulting for change in general. While a reader of these principles will see that many of them are supported by research reported on earlier in this chapter, there is also much left out. The category on "Who brings the change?" could very well include more recommendations relative to change agents, opinion leaders, and gate-keepers, for example; and the category of climate for change could include principles based on findings reported in this chapter on indicators of system innovativeness. Moreover, the time dimension--the stages of the process, etc.--are not represented. This is not to criticize this most useful set of recommendations, for it was not Watson's purpose to develop such an inclusive model. We are merely suggesting some
directions that the present study might take in the development of a model. Certainly, a model resulting from the present investigation must include some consideration of the change agent, the client system, the nature of the change, the process, and time.

The next step in development of this model will be the analysis (in the context of this literature review) of one case of consulting for change. This case and this analysis will be reported in Chapters IV through IX. The next chapter, Chapter III, will describe how the study was designed and carried out.
CHAPTER III

RESEARCH PROCEDURES

Introduction

The empirical core of this study is a participant observer record of the interaction of a consultant (the author) with a client system (General Motors-Holden's Pty. Limited) in a collaborative effort to bring about change using a general approach to change known as Organization Development (OD). As such, the purpose is to add a clinical and personal account to the data base in this field. An "apologia" of sorts for this method was made in Chapter I (see Scope and Limitations section) and no further justification will be attempted here. In this chapter, the particular approach used in this study will be described.

In addition to adding to knowledge, it is the purpose of this study to add to understanding. As a consequence, an analysis of the case is undertaken and a model for initiating change is proposed. This chapter will describe the process used for analysis and model building.

The Research Setting

The clinical research for this study was conducted beginning officially on February 2, 1975, in Australia in
the wholly owned subsidiary of the General Motors Corporation, General Motors-Holden's Proprietary Limited (hereinafter referred to, as it is in Australia, as GMH or Holden's). The author had been assigned on that date to GMH as an OD consultant, at their request, from the General Motors Corporate Office Department of Organizational Research and Development. The original assignment was for 6 months. Near the end of the original assignment, he was asked to stay for approximately 6 more months and agreed to do so. In all, then, he was in Australia on this assignment for all of 1975 except for January. While asked to extend the stay 2 further years, the press to return to the U.S.A., both personal and professional, caused the author and his family to leave Australia in early January, 1976. He was replaced as consultant by another member of the General Motors Organizational Research and Development Department at that time. This second consultant remained at GMH to July, 1977. The above time period--approximately February, 1975, to July, 1977--constitutes the time period encompassed in the case. However, the primary focus will be on the first 6 months of the author's assignment there, during which time he was trying to get a change process launched. Data from later time periods will be presented in more summary form than the clinical detail of the first 6 months.

GMH is a large organization by most standards. It employs approximately 25,000 people. While a subsidiary, it
is a very complete and integrated "automobile company" in its own right. It designs, engineers, manufactures, tests, and markets its own line of automobiles as well as many parts and assembles trucks from imported parts. It is by no means merely an assembler or distributor for products designed and manufactured elsewhere. Further, it competes in Australia with two other U.S.-based local manufacturers and Japanese and European imports in the form of both completely built units and units assembled locally from shipped-in parts. Its headquarters and a major part of its operations are located in Melbourne. Almost half of the company's facilities are located in and around Adelaide, while additional assembly plants exist near Sydney and Brisbane. The case includes data from all of these locations, with the emphasis on the Melbourne and Adelaide areas. In addition, the company has an Automotive Proving Ground at Lang Lang (about 50 miles from Melbourne) and sales offices widely distributed throughout the country. These were not a part of the case. A more complete description of GMH as a client system for change appears in the body of the case.

In the course of consulting, the author interacted with system members from all levels of the organization (although primarily at management and supervisory levels) and all functions. These interactions make up the core of the case. He was introduced and known to people in the organization as a consultant, not as a researcher. This was not an attempt at
covert research; in fact, he had official clearance to do this research by the Managing Director and the Personnel Director of GMH and some few others also knew and he never attempted to keep it a secret. It was simply the case that his primary role was as a consultant rather than as a researcher, and that, therefore, was his primary role identification.

Design of the Case

As indicated above, the primary emphasis in the case study proper is on the first 6 months of the author's activity as a change agent or consultant. The intent is to focus primarily on the initiation or launch phase of the change process. Six months is, to some extent, an arbitrary operational definition of this initiation or launch phase. In some ways, however, it is not. In the first place, the original assignment was for just 6 months, therefore much of the consultant's thought, planning, and action at that time was aimed at accomplishment of goals within that time frame. Had the assignment turned out as planned, 6 months would in fact have been the sum and total of the launch phase insofar as the author's involvement as a consultant was concerned. In addition, however, the activities encompassed during this half-year time period also roughly correspond conceptually to the stages in the OD process described by Frohman and Kolb as Scouting, Entry, Diagnosis, and
Planning (Kolb, Rubin, & McIntyre, 1971). In the Lippitts' model, the activities encompassed include Phase I--Contact and Entry; Phase II--Contract Formulation; Phase III--Planning for Problem Solving; and some beginnings of Phase IV--Action-Taking and Continuity. In other words, although it includes only the earliest months of a long-term project, the detailed study is complete enough to comprehend many of the phases of a full OD process. In less abstract terms, by the end of 6 months it was felt that the entry goals were accomplished and action was under way in the subsystems considered strategically critical entry subsystems.

Data during this first 6-month time period came from the author's written notes made daily, audiotapes made almost daily, plus much reference to other documents, such as company records, letters, interview data, and the like.

The actual construction of the case up to this point begins with an overview of the company, GMH, in Australia. This is followed by a description of the author's activities and reflections on these activities during a period of about 1-1/2 months of "Scouting." Two critical entry interventions are then described, one at the top of the organization and one at a plant level. These in turn led to two other subsystem interventions, one just below the top with an Executive Task Force and another at a plant. These two interventions are also described in detail. Taken together, the activities in these four subsystems constitute the core of
the launch strategy. A summary is then given of the state of the process at the end of this time, i.e., the end of July, 1975.

It would not be enough to stop there, however. OD is a long-term effort and only over time can some of its effects be judged. As Barber (Guest, 1972) said, "Time, of course, is the crucial dimension. It follows logically that the data for studying change should be collected not at a single unit of time but either continuously or at intervals. Only by comparing different structures in a time series can one discover whether a system has manifested self-maintaining processes or processes of change, short-term or long-term" (p. 133). Just such discoveries are important to this study, thus a time series design.

The first post-initiation summary will be made at the end of December, 1975, the next at the end of June, 1977. These time periods, like the first, have a rationale beyond being completely arbitrary. In the first instance, the author's role as consultant to the organization ended at the end of December, 1975, after just less than 1 year on the project. As mentioned earlier, another consultant took over at that point. Therefore, in addition to being approximately a first annual summary, this was the time of a most critical incident in the life of the change effort. Data for this summary also came from the author's personal records as well as other sources.
The final snapshot of the process, at the end of June, 1977, was chosen because (1) it provides a 2-1/2 year perspective at the time of this writing and (2) a critical incident similar to the above occurred. This latter incident was the departure of the second consultant, who was not replaced from the outside (i.e., the home office in the U.S.A.), but by Australian national resources internal to the GMH organization: thus, final "Termination" in the terms of Frohman and Kolb, and the full gamut of the consultation process. During this latter period, of course, the author was not living in the system and had only correspondence from the consultant who replaced him, other friends, and some company reports to go by. In addition, he had use of some survey data from one of the key plants involved. This 2-1/2 year summary will make use of these materials.

Case Analysis

The focus of the case analysis will be on "process outcomes" as opposed to organizational effectiveness outcomes. In other words, it is the central purpose of this study to contribute to understanding the process of change. Thus the effectiveness of the strategies and interventions employed during the first 6 months will be analyzed as they caused change to occur and to be maintained and institutionalized. Although it is hoped that the change was for organization improvement, and some evidence will be provided as
to the extent that it was, this is not the central concern of this study.

Therefore, the activities of the first 6 months (hereinafter February 1, 1975, will be referred to as Time 1; August 1, 1975, as Time 2) will be compared to existing change models described in Chapter II and congruencies and deviations noted. These will then be checked for resulting effects in December, 1975 (Time 3) and July, 1977 (Time 4). Conclusions will be drawn about (1) the effectiveness of the launch strategies used between Time 1 and Time 2, and (2) the usefulness of existing models in explaining or predicting the effectiveness or lack of effectiveness of those strategies.

For the most part, the analysis is separate from the case itself to focus greater rigor on the analytical process and to provide clearer, more usable organization of the report for the reader. However, it was neither possible nor considered completely desirable to leave all analytical reflection out of the case itself. The author's reflections on the experiences he was having are, in fact, part of the data of the study. "In participant observation, more than in any other technique, analysis of the data should proceed simultaneously with their collection. . . . The observer's understanding of the situation is likely to change as he goes along. This, in turn, may call for changes in what he observes. . . . These changes in the content are the optimum
use of participant observation. But, if the data are not analyzed as the observation proceeds, the observer is not in a position to make these changes as rapidly as he should" (Johoda, Deutsch, & Cook, 1951, p. 135). Indeed, many times, particularly during the Scouting Phase, the author's analyses changed dramatically between the time he left work and the time he returned the next morning. It was considered important that some of that phenomenon show in the case record. However, as indicated, for the most part the analysis follows the case in a separate section.

The Model

Lippitt (1973) wrote the definitive book on the use of models in planned change. In it he defined a model thus: "A model is a representation of a phenomenon which displays the identifiable structural elements of that phenomenon, the relationships among those elements and the processes involved" (p. 73). As further explanation as well as rationale, he added:

Basically, a model is a symbolic representation of the various aspects of a complex event or situation, and their interrelationships. A model is by nature a simplification and thus may or may not include all the variables. It should include, however, all of those variables which the model-builder considers important and, in this sense, models serve as an aid to understanding the event or situation being studied. The true value of a model lies in the fact that it is an abstraction of reality that can be useful for analytical purposes. In a way, models are analogies which problem-solvers use to clarify their thinking.
about a relatively complex presentation. Through the use of a model, they can predict performance under predetermined conditions or evaluate the consequences of various alternatives before committing themselves to a particular change plan or course of action. (p. 2)

By using models together with his skills as an observer, analyst, and diagnostician the change agent can become more effective. . . . At this particular point in the development of the theory and practice of changing . . . we are in real need of models that will be helpful to change agents. (p. 69)

It is the intent of the model developed in this study to be helpful to change agents. The model was developed in accordance with Lippitt's three suggested parameters for models of change: graphic, two-dimensional, and nonmathematical (p. ii). Further, it could be defined as a dynamic (as opposed to static) and analytic model. It is graphic because visualizing a process can be immensely helpful in conceptualizing it (p. 9). It is two-dimensional to increase its utility through the printed page. It is nonmathematical because mathematical models "are generally so complex and bewildering to the uninitiated as to discourage their use by most change agents" (p. ii). Lippitt (1973) defined a static model as "graphic representation of a situation at a given time" and a dynamic model as one which "illustrates the interaction of forces and subforces, takes into account the dimension of time, and has built into it feedback loops that affect the input/output elements of a situation" (p. 77). A model for initiating change, then, must be dynamic.

Finally, in contrasting analytic models to other forms such
as game simulations and mathematical models, Lippitt said, "It is the analytic model--using graphic presentation in two dimensions--that is most feasibly adapted to the study of change" (p. 76).

Thus a graphic, two-dimensional, nonmathematical, dynamic, analytic model was developed based on a review of existing models (see Chapter II) and an analysis of a case study of the initiation of change.

The actual process used to build the particular model in this study is described in Chapter X. Empirical validation was accomplished by applying the model to the real-world situation described in the case.

The two main criteria used to assess the model as it was being built and upon its completion were its usefulness and relative simplicity. On the first point, Lippitt (1973) pointed out, "The visualized conceptual model . . . is neither true or false, complete or incomplete. It is only useful or non-useful" (p. 86). Some sub-criteria in regard to usefulness came from some students of model building:

- How accurately can the model explain actual observations of the system or situation being studied?
- How accurately can one predict reactions and outcomes by using the model?
- How well does the model fit similar situations?
- How much insight or understanding of the system or situation does the model provide? (pp. 87-88)

In regard to simplicity, a model can be oversimplified,
of course, and leave out critical variables, consequently not meeting the usefulness criterion. Trade-offs must be made and optimal or relative simplicity sought. As Lippitt (1973) said:

The important principle is to keep the change model in workable form and, therefore, possibly to oversimplify. If those making change models attempt to be too literally true to the real change situation, the result may be cumbersome and so expensive in the use of time that it is impracticable. (p. 83)

The participant observer study presented in Chapters IV through VIII should contribute to increasing the base of empirical knowledge on planned change. The analysis of that case (in Chapter IX) and the Model for initiating change in large social systems in Chapter X should contribute to further understanding of the planned change process, thus expanding the theoretical base in this field.
CHAPTER IV

THE SETTING

The following participant observer study will begin in this chapter with an overview of the company in Australia. I will then present an account of the scouting period. Previous to my assignment to Australia, I had the opportunity to co-consult on one project with Professor William Gomberg of the Wharton School. Gomberg's early and distinguished career was with the International Ladies Garment Workers Union and, in the course of working together, he told me that he tried always to follow a dictum that had grown up in the "sewing trades": Measure ten times; cut once. I tried to follow that advice during my early days in General Motors-Holden's (GMH). Thus I call Chapter V "Scouting: Measure Ten Times."

By the same token, when it came time to cut, I tried to follow another principle, namely, to find multiple entry points. Therefore, Chapter VI is "Entry: Cut Twice." This chapter, then, covers two initial entry points, Dandenong and the Executive Council. Those two interventions led in turn and built toward two others, the Executive Task Force and Elizabeth, which will be covered in Chapter VII, "Entry: Stage Two." Taken together, the interventions into these four subsystems constitute the entry strategy, the timing
of which coincides with my first 6 months in Australia.

Summaries are then provided at two later time intervals: "Time 3: One Year" and "Time 4: Two and One-Half Years." These make up Chapter VIII, "Diffusion and Institutionalization."

The case (especially the first 6 months covered in Chapters V through VII) is written in a personal narrative style, including my felt dilemmas, my reflections, and my analyses as they occurred in process. However, the more rigorous retrospective analysis is left for Chapter IX, "Analysis of the Case."

GMH in Australia

The intention here is to sketch the national and company setting in 1975 in which the following case took place. It is not intended to be a thorough socio-politico-economic picture of Australia nor of the company. Moreover, many aspects of the country and the organization that affect the case emerged in the development of the project and will be discussed or reported at the appropriate points in the case proper.

In regard to the general setting in Australia, a few points which make the business environment in Australia unique require highlighting. The most critical of these are (1) distance, (2) population, (3) urbanization, (4) dependence, (5) the political scene, (6) trade unionism, and (7)
the economic scene.

What has been called "Professor Geoffrey Blainey's indispensable work on Australia" (Hazzard, 1977, p. 32), The Tyranny of Distance focused on the first of the above issues: distance, or what might better be termed isolation. There is probably no more pervasive fact about Australia, deeply affecting its history as well as the present day, than that it is a very long distance from almost anywhere, and especially from the developed world. This initially afforded some natural protection for new primary industry, and in more recent times, as distance has diminished in light of modern transportation and communication, the federated Commonwealth has continued to provide tariff protection "in the name of self-sufficiency and employment opportunities" (Byrt & Masters, 1974, p. 30).

Internally, distance is also important, and interacts with population size and urbanization to present a unique set of business conditions. The dimensions of the country are approximately those of the 48 contiguous states of the United States. Yet there was a population in 1975 of about 13-1/2 million, "almost precisely the figure of India's population increase the same year" (Hazzard, 1977, p. 36), and "the same as the 14 Southern California counties which centre around Los Angeles" (Hay, 1971, p. 1). However, this population is not spread out throughout the countryside, approximately a third of which is desert, but, indeed, has
clustered itself into cities to the extent that Australia is one of the most urbanized countries in the world. "Surprisingly about 80 percent of the small population in such a large continent lives in communities with more than 2,000 residents--about half the population lives in Sydney and Melbourne." This results in large urban centers with vast distances between them, making for high internal transport costs, encouraging regional industry, and posing "severe problems for the development of industries requiring national markets" (Byrt & Masters, 1974, p. 31).

Part of the business difference, then, between the U.S. and Australia is high cost of transport, both externally and internally. Another is "sheer size. The United States undeniably offers a much larger scale of operation. . . . In Australia an 'average' company has sales of around $5 million whereas an 'average' company in the United States has sales of around $500 million. In the United States in 1971 there were 120 companies with sales greater than $1,000 million--in 1973 one Australian company has come into that category" (Hay, 1971).

The above combination of factors also means, of course, that it is impossible to realize economies of scale as they are known in the U.S. One consequence is the relatively high cost of consumer goods; another has been traditionally high levels of employment; another the protective tariffs referred to above; and, finally, an aggressive immigration policy,
especially since World War II, that accounts for about half
the 6-1/2 million population increase since the end of the
War. These migrants are very much a factor in present-day
Australian life, and more than half came from continental
Europe as opposed to the British Isles—the chief source of
Australian population and culture up to that time. Many of
these Europeans do not speak English or do so with difficulty.
This has added complexity to an already fascinating history
of "creating a predominantly Anglo-Saxon nation in the South
Pacific" (Hazzard, 1977, p. 1).

Australia, and Australian business, with its roots thus
in the northern hemisphere and the Western industrialized
world, has been to a reasonably large degree dependent in
one respect or another on overseas culture, capital, legal
and political forms, and know-how. Prior to 1941, according
to Blainey (Byrt & Masters, 1974), it was "an echo and image
of Britain and an outpost of Europe" (p. 32). Since the
Second World War, in addition to European migration, there
has been increasing U.S. influence. Byrt and Masters (1974)
summarized:

The American influence has been most marked. American multinational corporations are playing
a large part in Australian economic activity. The United States has become the largest overseas
supplier of capital and of managerial, technical
and strategic knowledge. Up until the advent of
the Labor Government in the Commonwealth Parlia-
ment at the end of 1972, the United States was
the country on which Australia relied for its
military security and as the inspiration of its
foreign policy. (p. 33)
The Labor Government since its accession to power has announced its intention to stimulate an Australian nationalism and to reduce the country's dependence on overseas capital and enterprise. The Liberal Party has recently expressed similar sentiments. Australia, however, remains a dependent society. (p. 34)

The accession of the Labor Government referred to was very much the chief characteristic of the political setting of the present case. The Australian governmental structure is fundamentally patterned after the British parliamentary system and a coalition of conservative parties, the Liberal and Country parties, had held power for some 23 straight years prior to 1972. In that year the Labor Party swept into power with reformist if not revolutionary zeal. After "twenty-three years in the wilderness," as was the popular saying at the time, they attempted to institute socialist and social democratic "reforms" in a very rapid fashion. These included the above-mentioned emphasis on nationalism, a rejection of dependency, and an effort to "buy back Australia"—one of their political slogans. It also led to a major reallocation of national income to the public sector and away from the private sector. A governmental commission formed to study "the rationalization of the automobile industry in Australia" concluded that there were too many local manufacturers and that protective tariffs should be lowered and the market forces then operate to force out the less effective and efficient manufacturers, leaving the fittest to survive. While these recommendations were not enacted,
they had much sympathy in Labor Party circles. It would be safe to say that the Labor Party was viewed by most in the business world, including Australians, as anti-business, and certainly they were viewed as anti-multinational. The year encompassed in the case, 1975, was the last frantic year of that Labor Government and the Liberal-Country Party Coalition resumed Government at the end of that year.

One cannot discuss the political scene of that time without also discussing trade unionism, another important dimension of the business environment that is different from that found in the U.S. In the first place, unionism is different from that in the U.S. because of its political tie-ins with the Government. Unions are officially and structurally a part—and the major force—in the Labor Party. At the time of this case, for example, the President of the Labor Party (i.e., head of the political "machine" of that party) was also the Executive Secretary (i.e., chief executive officer) of the Australian Council of Trade Unions, the central governing body of union activity in Australia. Secondly, unlike the union situation in the U.S. automobile industry, there are a number and variety of unions to deal with in each location, including a supervisors' union which encompasses first-through some middle levels of management. This phenomenon is made more complex by the fact that the tradition is more like the British trade union tradition, with strong power vested in the steward on the shop floor, who may, and not infrequently did, not comply with agreements, commitments,
or decisions made by state or federal union officials. These factors, combined with lack of enforceable penalty provisions in the labor law, resulted in sporadic wild-cat strikes and "stop-work meetings" wherein employees would stop work, meet outside of plants on company property, hold meetings, vote and go or not go back to work. A third fundamentally different approach to the union-management relationship was compulsory arbitration by the Commonwealth Conciliation and Arbitration Commission, established at the time of Federation. According to Byrt and Masters (1974), "Many agreements are reached outside the Commission but conciliation and arbitration overshadows collective bargaining. State Arbitration developed out of severe strikes late in the 19th century which disrupted community life. Both the unions and employers have been so dominated by the traditions of the arbitration system that they have failed to explore creatively the alternatives" (p. 43).

Finally, as regards the economic setting, "Australians enjoy a high standard of living, though considerably lower than U.S. citizens. The acquisition of vehicles, consumer durables, increased leisure and high proportion of home ownership reflect the aspirations of the people, most of who are economically comfortable" (Byrt & Masters, 1974, p. 41). The maintenance of full employment is a very highly valued objective of the Australian economy, and one which has pretty well been met (normal unemployment is below 1 percent)
although in 1975, the year of this case, it rose as high as 5 percent, as the world-wide recession peaked in Australia. Because of both the high value placed on this objective and the positive history—with the exception of the Great Depression of the 1930's—lay-offs, or "retrenchments" as they are called locally, are far from the relatively accepted practice they are in the U.S., and workers do not have the same lay-off protection they do in the U.S. in the form of government unemployment benefits or company-funded supplemental unemployment benefits. Regular unemployment benefits exist, but at a much lower level than in the U.S. (Byrt & Masters, 1974, p. 43). Primary industry has been the backbone of the Australian economy and international trade, representing 80 percent of exports which account for about 30 percent of the gross national product (Byrt & Masters, 1974). It is a country rich in natural resources with the exception of water. The most deficient resource has been capital, which deficiency "is reflected in the late development of sophisticated capital and money markets, the high incidence of failure to generate Australian equity for development projects, and is part of the explanation of Australia's attraction to foreign investors" (Byrt & Masters, 1974, p. 44).

Thus far, I have attempted to summarize the Australian scene as I entered it in early 1975 in terms of historical, geographic, social, political, and economic forces. As a final characterization of the national scene I found, I refer
to Byrt and Masters' (1974) summing up of the personalities of Australian middle managers that have grown out of this cultural milieu. Based on a study of "Machiavellianism," it was found that "the great majority of Australian middle managers tend to be

dependent on government; insular; lacking in boldness and initiative; dependent on overseas sources for capital, ideas and techniques; reasonably but not highly educated; masculine in fact and in outlook; city dwellers, in particular of either Sydney or Melbourne; conservative; fearful of radicalism in economics and politics; egalitarian both socially and at the work place; practical and pragmatic; opportunists rather than planners; non-intellectual--some are anti-intellectual; interested in leisure, social activity and family; critical of politicians and holders of formal authority; versatile; materialist; non-aggressive; manipulative in managerial style; low in Machiavellian characteristics. (p. 65)

Byrt and Masters cautioned that "the above is a picture of the majority of middle, not senior, managers; also there are, of course, many of the former whom the description would not fit. Again, the picture is changing, and changing rapidly" (p. 65). With those cautions in mind, however, and with no desire to stereotype, my own perception of my own experience with Australian managers leads me to agree with the general accuracy of that profile as well as with the observation that it is changing.

One very significant factor in the change is the increasing opportunity for overseas travel. I scarcely met an Australian at middle-management levels or above who had not been overseas, usually to Europe and/or the U.S., and
their children were being encouraged to thus travel in even
greater numbers at high school graduation or university age.
It was my observation, without any attempt at documentation,
that the frequency of such travel would be many times more
than among a similar group in the U.S.

Further, as Byrt and Masters (1974) stated:

The influence of the Second World War on Australian
industry, and consequently on management, cannot be
overemphasized. The war provided a great impetus
in terms of growth. . . . The Second World War
foreign policy switch, which saw Australia look to
the United States as an ally, rather than to Great
Britain, was also followed up in the business arena.
At the same time, American businessmen began to see
Australia as not only a potential market, but also
a stable base for entry into the markets of Asia
and the Pacific. The forerunner was undoubtedly
General Motors-Holden, which set up its first plant
here in 1947-8. It was soon followed by other auto­
mobile manufacturers, consumer durable manufacturers,
raw material processors and so on. (p. 66)

Through the sixties such industry thrived. In the late
sixties through the mid-seventies, the time of this study,
the Australian economy "has experienced, along with many
Western nations, a period of economic 'stagflation'" (Byrt
& Masters, 1974, p. 42), with the depths arriving about the
time I did at the beginning of 1975.

Thus was the environment which GMH found itself attempt­
ing to cope with at that time. And the GMH story reflected
much of the above. Historically, for example, the origins
of the company began with a leather and saddlery business in
Adelaide, South Australia, founded by James Alexander Holden.
This evolved into the firm of Holden and Frost, a carriage

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and body building company which became Holden's Body Builders Limited in 1917. The General Motors Export Company, already in existence, negotiated an agreement in 1923 to use Holden's Woodville plant in Adelaide for exclusive manufacture of motor bodies in Australia. The two companies merged as General Motors Holden's Ltd. in 1931. Late in 1944, on request from the Commonwealth Government, the company submitted plans to General Motors Overseas Operations (GMOO) to manufacture a car in Australia--the Holden. After research and development work, the first Holden model was announced in 1948 and was known as "Australia's own car," a first in Australian history.

This history in part explains the geography of the company. From a purely rational business point of view, the company is much more dispersed than it ought to be. For the most part, this resulted from General Motors originally being located in Melbourne and Holden in Adelaide. The major concentration of facilities is still found in and around those two metropolitan areas. The headquarters and most parts manufacturing plants are located in Melbourne, with a Vehicle Assembly Plant (known as a V.A.P.) and the parts distribution functions located in the Melbourne suburb of Dandenong. For the most part, body manufacturing is still done in Adelaide--the home of the original Holden body works--and just outside Adelaide in a planned community named after the current British queen, Elizabeth. There is also a V.A.P. in
Elizabeth. In addition to these major complexes, there is a V.A.P. in Sydney, called the Pagewood plant, and in Brisbane, called the Acacia Ridge plant, as well as a proving ground in Lang Lang, approximately 50 miles from Melbourne. The latter two assembly plants were located away from Melbourne and Adelaide originally to accommodate regional markets as well as to support Government policy encouraging decentralization of population. The regional market rationale was largely obsolete by 1975, since, for example, one line of cars was assembled only in Brisbane at the Acacia Ridge plant and shipped throughout the country.

From 1948 to 1974, the company's average daily production grew from 10 passenger cars per day to 800, while employment went from 7,560 to 26,515, and factory floor space from 2,722,000 square feet to 10,166,186 square feet. By 1975, there existed over 500 dealer outlets, the most extensive dealer network in the country. Competing with two other Australian manufacturers (also subsidiaries of U.S.-based firms) and increasingly with imports (primarily Japanese), GMH's market share reached a peak of 50 percent in 1958, continued in the mid-40-percent range to the mid-sixties, and has shown a fairly steady decline to a low of 25 percent in 1974. Figures available on imports from 1960 show an increase to the 1974 figure of a 44-percent share of the market. Although still holding the biggest share of any one company, GMH's decreasing market share certainly was an issue.
for the organization. This was in a market consisting, in 1974, of 587,186 total new vehicle registrations. Holden's total vehicle sales for 1974 were 190,447 (including trucks); 157,860 were domestic sales, while 32,587 were export. Total sales revenue in Australian dollars was $587,886,000, with a net profit of $14,012,136. The highest net profit in the previous 10 years had been $30,840,002 in 1969 on sales of $414,796,000.

The product range, consistent with basic GM product policy dating back to the early days of Alfred P. Sloane, attempted to cover all market segments, from economy to luxury car lines.

Previously mentioned factors such as small population (market) size and transport costs combine with the factors immediately above to create a cost squeeze and the aforementioned lack of economies of scale.

There was a "wholeness" to GMH that one would not find in domestic car divisions of the same corporation in the U.S. As mentioned in Chapter III, the car was designed, engineered, manufactured, tested, and marketed by GMH in Australia. Nothing was farmed out to other feeder divisions or corporate staffs. Likewise, most parts were manufactured by GMH rather than component divisions and what outside local suppliers there were were largely developed by GMH when it was the only Australian manufacturer of cars. Moreover, since it was General Motors in Australia, it felt the full
impact of the Australian social and political environments more than any one division of the parent firm would in the U.S. As a large company by Australian standards and, in many ways, the very symbol of the American-based multinational company, it constantly made headlines.

Structurally, GMH was organized along functional lines with the Board of Directors consisting entirely of employee directors who headed up operating functions. They reported to the Managing Director, as did a Manager of Reliability and Quality Control. This is shown in the chart in Figure 14. Of the directors, four were Americans, six were Australians.

The Managing Director of GMH reported, in turn, to a General Director of General Motors Far Eastern Region. This General Director lived and had his office in Melbourne; however, his region included New Zealand, Japan, Korea, Singapore, Malaysia, the Phillipines, and Thailand. This office and its staff were called GMOC--General Motors Overseas Corporation. The General Director reported to the General Manager of GMOO--General Motors Overseas Operation--in New York.

In regard to unions, by far the largest union (representing about 85 percent of the wages or hourly rate employees of GMH) was the Vehicle Builders Union (V.B.U.). A second union of major impact was the Amalgamated Metal Workers Union (A.M.W.U.), which, though much smaller than the V.B.U., included many of the skilled trades workers who occupied
Figure 14. General Motors-Holden's Pty. Ltd. Board of Directors.
strategic jobs which could easily shut down a plant or, for that matter, the whole industry. With these two major unions, there were several other smaller groups including, of special significance, the Association of Architects, Engineers, Scientists, and Draftsmen of Australia (AAESDA), representing the first four levels of management (foremen, general foremen, shift superintendents, and superintendents).

Other characteristics of both the country and the company will emerge as they affect the change effort in the course of reporting the case itself; however, some final words need to be added here about the state of OD in General Motors Corporation as a whole at this time since that made up an important part of the context in which this case took place.

By the beginning of 1975, GM had been formally involved in OD for just over 5 years, starting with a pilot project in four domestic plants late in 1969. This first project, done jointly with the Institute for Social Research of the University of Michigan, led to diffusion of the general OD approach, first to the General Motors Assembly Division (of which two of the pilot plants were a part) and then to other North American divisions. The first few years this took place without the involvement of the United Auto Workers, but by 1973 this powerful union had given the approach its enthusiastic support at the international officer level. That year, a formal agreement was reached during regular
triannual negotiations to establish a joint GM-UAW National Committee to Improve the Quality of Work Life to encourage and support OD activities designed to enhance the quality of the working lives of represented GM employees. This historic agreement along with other substantial demonstrations of high-level support furthered wide diffusion of OD in North America despite the severe blow suffered by the industry due to the world-wide energy crisis of 1974.

Relatively little had been done in overseas divisions, however. Some training in OD concepts had occurred in Mexico and some effort had been made to get some activity under way in European divisions, but little was actually accomplished. Thus, GMH became the first overseas division to take on this approach to change in any substantive way. However, the fact that the actions to be described in the case were carried on in the context of a wider corporate effort with considerable energy and momentum is of some importance.
CHAPTER V

SCOUTING: MEASURE TEN TIMES

My scouting actually began some time before I ever arrived in Australia. The very process by which I eventually arrived on those shores gave me some feel of the situation I was entering, and I did some more active probing as well.

The first signal (though I confess that it was not sufficiently within my realm of immediate concern that I paid much attention at the time) perhaps should have come when a young man from GMH was assigned to our department (the corporate Organizational Research and Development Department) as a GMOO Fellow. General Motors Overseas Operations annually selects a group of high-potential employees from overseas units to come to the United States for a year of work-study, the study taking place at General Motors Institute, the work in some domestic unit relevant to the employee's work history and career path. This man, obviously, had been chosen and asked to do his work and study in the field of OD even though no such function existed in GMH at the time.

However, the first event that actually caused me to take any notice occurred in September, 1974, when GM's Director of Personnel Development, to whom our department reported, came to my office one day and, in the course of a
conversation that touched on a lot of points, offhandedly mentioned that he had made a career decision for me that he hoped I didn't mind too much. He proceeded then to tell me that GMH had requested my services for 3 months to help them "get OD started." He told them that I was too involved in other important projects at the time and therefore was not available. The thought of spending time in Australia was intriguing to me and I said so, though also indicating I understood his decision. I then put the thought out of my mind.

About a month later, I was working away from the office with a group in a strategy-building session when I received a message to call my office. When I did, my department head informed me that, if I were still interested, GMH had said they were willing to wait until the first of the year, 1975, and that our Director of Personnel Development had given his OK to that. I certainly was interested and called the appropriate person in the New York GMOO office who confirmed the offer for 3 months beginning in January, 1975. When I probed for what would be expected, I got the same answer I had before: "to get OD started."

I went to New York in late October to finalize arrangements. This was the fall of 1974, of course, and the automobile industry was in the final quarter of the year of the Arab oil crisis and the first quarter of a recession-marked model year of even worse proportions. Ironically, the day
I was in New York to conclude an agreement, a telegram went out all over the world to GM operating units to reexamine their budgets, tighten their belts, and reconsider all proposed projects. It turned out that GMH had proposed two related projects—one for me, and another for some management training that would involve a training expert for the corporate Education and Training Staff. In light of the telegram, both projects would have to be reevaluated. Therefore, I returned to Detroit not knowing whether I would be going and, in fact, seriously doubting that I would.

Nevertheless, I did find out that day a bit more about GMH and why they might want the sort of help that someone like me could provide. I was given, for example, the type of general information included in the "GMH in Australia" portion of the previous chapter, including the worsening competitive situation and decreasing profits on sales. More especially, though, I was told of increasing "people problems" at all levels including continuous union-management conflict. I was also told that the GMH Personnel Director and Assistant Personnel Director had spent some weeks in the U.S. the past summer, during the course of which the Personnel Director had attended a 2-day "Familiarization Seminar" in OD and the Quality of Working Life that members of our staff put on in Detroit. As a result of that and some enthusiastic endorsement these two men heard at one of the domestic car divisions, their own enthusiasm grew. As far
as my source knew, this scenario, combined with the felt need, led to the request. I indicated, on the other hand, that 3 months was a very short time, probably too short, to get anything very meaningful and long-range going. The offer of even that, however, was now in jeopardy.

Time went on as I returned to my involvement in other projects, and the more time that passed the less I thought I would be going to Australia. However, again while in the middle of a session at a remote site during the first week of December, 1974, I received a call asking how my family and I would feel about showing up in Melbourne on February 1 for 6 months. It turned out that the project reassessment led to the elimination of the training project and extension of the OD project.

I said yes.

My preparation then began. I read everything in libraries and encyclopedias that I could find on Australia. I talked by phone to the GMH Personnel Director and Manager of Training once, and though that call dealt primarily with matters of personal concern such as housing and school for our three boys, I did get to ask a few questions about the organization. I basically received confirmation of what I had already heard including a reaffirmation of my charter to start from scratch. I probed the issue of how American "visiting firemen" are received and was told it was not usually much of a concern, that "Yanks" were given "a fair
go" which only occasionally turned out badly when the Yanks themselves botched it up. I also asked how the Managing Director felt about the project and was told that he and the General Director were the ones who made the decision to drop the training project and extend the OD project. As a result of this conversation, I was also sent some literature about the company and a set of organization charts.

So far, I at least had some confidence that (1) I was in fact wanted, at least by some one or more key people who could cause such decisions to be made in light of very difficult circumstances, and (2) that I could start from a fairly blank sheet insofar as OD activities were concerned and not be involved in "undoing" previous false starts. Both sets of conditions were encouraging to me.

The most systematic scouting I did at this time, however, took place in a 2-day meeting I requested in Flint between myself and the three GMOO Fellows from GMH who were in the U.S. at that time. All three were young men from the GMH Personnel Department, one in general personnel administration, one in management training and development, and the third working in our OD department. In this meeting I basically began probing for felt needs, readiness, and support. The general approach derives from Beckhard's (1969) model with some flavoring of open systems (Emery & Trist, 1965).

I first simply asked the three to identify problems or
issues or forces they saw impacting on the organization from the external environment. There were many. They included the unions, ranging—in the perception of these men—from the V.B.U., which they saw as a relatively conservative union interested in the bread-and-butter issues of wages and security to the A.M.W.U., perceived by them to be radical with openly communist leadership having high on their agenda nationalization of the industry. Other issues included consumerism, rising nationalism (accompanied by increased anti-multinational sentiment), a largely migrant labor force (many of whom were non-English speaking), and rising inflation. Pressures from the Labor Government included the Prices Justification Tribunal (P.J.T.) which ruled on all proposed price increases, and general Government pressure for low prices, high quality, full and stable employment and compliance with increasing regulations regarding safety and pollution. There was also the push, referred to earlier, from the commission studying the "rationization" of the industry. From both the Government and some union leadership was coming a still relatively low-level but increasing pressure for "worker participation." It was here I first began to realize a different mental model of "worker participation" from my own. In the U.S. at that time, when we spoke of "workers participating" or, for example, a participative system of management, we were typically speaking of operator level employees being involved in decisions that affect their
immediate jobs or work areas. I found, beginning in this meeting, and developing further as I went, that "worker participation" in Australia was based on the European model of co-determination, wherein workers are elected to worker councils or to the Board of Directors. This was a legislated system and more legalistic generally than what I was familiar with, but I began trying to get familiar with it.

To get at internal forces, I used a matrix based loosely on Beckhard (1969) and developed and used many times previously by myself and some other internal GM consultants with the help of Warren Nielson, consultant external to GM. First I asked the three men to list all the key people in the organization. This resulted in a list of 66. I then asked them to rate each of these key people on three factors: (1) their influence in the organization, whether through formal position or through opinion leadership; (2) their readiness for change as represented by an OD approach to change; and (3) their capability for bringing change about. The three reached a consensus for each person for each factor using a rating scale of "-" for a negative rating, a "0" for a neutral rating, a "+" for a positive rating, or a "?" for an unknown. Finally, to get at felt needs, I asked, in the case of each key person, what would be the first wish that person would ask for if granted three wishes by some magical being. When consensus was reached on the first wish, I granted a second; sometimes going to three, sometimes not.
A matrix, as illustrated in Figure 15, thus developed for 66 key people in the GMH organization. This would help, I hoped, in identifying felt needs, supportive forces, opinion leaders, and gate-keepers.

I then asked the three to develop a form of force field analysis of the forces they saw that would help or block the successful launching of an OD effort in GMH. This is shown in Figure 16.

Finally, I asked each of the three men to sum up in a statement their general impressions. I received such statements as "reluctant to make decisions"; "rate of change is too fast"; "dead wood"; "lack of dynamism and aggressiveness and risk-taking at senior management levels"; "formalized inertia"; "concentration of decision-making at the top"; "bewildered, don't know what to do, lack of direction"; "middle management morale undermined"; "closed system"; "mistrust of the organization"; "no clear objectives at the top or at least they're not communicated"; "no planning group"; "can't cope with changes." They all summed up with a consensus statement that the overwhelming need was to "make GMH more proactive."

I found the 2 days extremely worthwhile in giving me a "feel" for the state of the system I was about to enter. Of course, these three men were all relatively young in terms of experience within the system, from the lower middle-management levels, from the Personnel Department and clearly
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Figure 15. Sample Scouting Matrix
Helping Forces

Overall need, including basic need to survive (10)
Frustration with traditional solutions (8)
Rapid rate of change (5)
Political pressure (9) for
  --Quality of work life
  --Efficiency and low cost
  --Better relations with unions
  --Australian financial equity
Increasing number of risk takers (2)
Turnover and absenteeism (3)
General Motors Corporation OD efforts (7)
Mr. A - a key opinion leader seen as very supportive (7)

Blocking Forces

Established organization politics (7)
Norm of low risk taking (9)
Lack of depth of talent (8)
Rigid hierarchy (5)
Unions (7)
Turnover of talented people (4)
Belief in infallibility of the industry and its technology (5)
Lack of business growth (6)
Norm of fire-fighting with no long-range focus (8)
Rigid departmentalization (6)
Mr. B - a key opinion leader seen as very negative (9)

NOTE: Numbers in parentheses indicate relative weights assigned based on importance or strength of the force.

Figure 16. Force Field for OD Change
with a bias toward what might be called "modern" or progressive management practices. These characteristics would be enough for their views to be dismissed by many, and certainly considered biased. I took those characteristics into consideration and vowed not to have my own opinions too shaped by these and to keep as open a mind as possible until I actually went to Australia. But these were the best sources I had available to me at that time. In the past I had tried walking into an organization cold, letting it make its own first impressions as well as trying to find out whatever I could about it ahead of time. My own experience has led me to conclude that I'd rather take the latter course—find out whatever I can from whomever I can—and trust myself to sort out the biases. As it turned out (and more will be said about this later), I later concluded from firsthand observation that the three men were remarkably accurate in their observations and insightful in their judgments.

I chose to detail these 2 days not only because of the incident of the meeting itself—which in and of itself is not so critically important in the context of other critical incidents in the case—but because the framework outlined became my basic mental model for scouting throughout my initial contact period. If I didn't always write later observations and judgments down in such a form, I did always have the same framework in my head and constantly filtered data through that framework. Also, as indicated earlier,
this was not a new model for me, but one tested and developed through my previous experience and, by this time, almost intuitive for me. Thus, the data and the model for organizing it as just presented serve as an introduction to my scouting approach.

Thus armed, and with a firm conviction to enter GMH with a completely open mind regarding appropriate interventions, my family and I busied ourselves with passport pictures and physicals, arrangements with banks, post offices and schools, selling cars, figuring out what to do with our house, and above all, trying to persuade someone to take our dog for 6 months. Finally, we flew half-way around the world and from near the top to near the bottom and arrived in Melbourne on Sunday, February 1, 1975. With all my usual confidence and with the sort of preparation alluded to, I nevertheless felt some trepidation that day.

We were met by the Manager of Training and his wife and son, people who were to turn out to be most helpful and gracious hosts to us throughout our stay but particularly at the beginning. This helpfulness was true not only in a personal sense, but professionally as well. As Training Manager, he was assigned to be my chief internal contact person and, very likely, to take over as internal manager of the OD activity when I returned to the U.S.

Thus, a sort of partnership began the next morning when I reported to his office at the headquarters in Melbourne.
(the location is known locally as Fishermen's Bend and the headquarters frequently referred to as "the Bend"). After discussing personal arrangements very briefly, the training manager gave me some of his perceptions of the "force field" facing me and quickly let his feelings be known that a primary obstacle to overcome was a very powerful source of resistance in the form of the Director of Manufacturing (I had also heard this in New York and in my meeting with the GMOO Fellows). With little time for anything else, then, I was taken upstairs for my first meeting with the top man of the organization, the Managing Director.

This was a significant encounter in several respects because it was the beginning of a couple of themes that subsequently ran throughout my scouting period. The first theme was the Elizabeth V.A.P. (Vehicle Assembly Plant); the second related to understanding of my role.

Very early in our conversation, the Managing Director (or "the M.D." as he was called and as I shall refer to him hereafter) talked about the Elizabeth plant and what a trouble spot it was in terms of never meeting production schedules and constantly being the scene of serious industrial relations problems with the union (these kinds of problems were known locally as "industrial problems"). This theme, as I said, became a constantly recurring one no matter whom I talked to in those early weeks, and it was obvious my acceptance with the M.D. and a number of key people would
have been very high had I committed right then to fly over to South Australia and spend my 6 months "fixing" Elizabeth. However, I immediately had some reservations about that. I knew from experience as well as nearly having memorized some principles from Harrison (1971a) and Shepard (1975), referred to in Chapter II, that there was potential disaster, if not professional suicide, in taking that route. Harrison referred to trying to work with "relatively healthy parts of the system" (p. 2), while Shepard, in "Rule III, Corollary 2" of his "Rules of Thumb for Change Agents," said:

> The physician-patient relationship is often regarded as analogous to the consultant-client relationship. The results for system change can be unfortunate. For example, the organization development consultant is likely to be greeted with delight by executives who see in his specialty the solution to a hopeless situation in an outlying plant. Some organization development consultants have disappeared for years because of the irresistibility of such challenges. Others have whiled away their time trying to counteract the Peter principle by shoring up incompetent managers. (p. 3).

This was precisely the situation being described to me, and I didn't want either to "disappear" nor to "while away" my time unproductively. These thoughts occurred to me almost as a matter of reflex. Since it was my first meeting with the M.D. and not a substantive "contracting session," I did not fully disclose these feelings but I did suggest broadly that before efforts in such locations could be successful, other conditions needed to be in place, such as top-level understanding and support. He agreed as he did with my
general request for such support and help for the entire effort, indicating that this was particularly critical in trying to accomplish much in so short a time as 6 months.

This also relates to the second theme that began with this encounter, that related to the understanding of my role. I mentioned above that I had earlier by phone from the States asked the Personnel Director what the M.D. thought about my coming. I now had the chance to ask him myself. What I actually asked was why he thought I was there? His response was that I was there because the Personnel Director had personally lobbied so long and hard to get me there. That response took me back a bit and certainly did not encourage me. My experience was that projects in which top-line management did not take ownership were on precarious grounds, and even more especially so if the sole ownership was in the Personnel Department.

The theme, however, that this began and which developed through most of my meetings with people over the next few weeks was that they didn't know why I was there or what sort of function I represented. I usually got blank stares when introduced as someone from Organization Development. Some thought I was an expert in restructuring the organization. Others knew of some of the more popularly visible aspects of OD such as job enrichment or "worker participation" or "human relations." I was once introduced, somewhat facetiously but somewhat "on the square," as "Dick Ault from the Corporation."
He's the bloke who's going to solve all our people problems."

The man to whom I was thus introduced looked at me, then back at the introducer, and replied, "Has he got a bloody wand?" That all contributed to my being viewed with some suspicion by many. I was once told by a friend in the Personnel Department that one of his employees had asked if I "was the bloke sent out from Detroit to sack us all?" ("Sack," of course, means "to fire.")

While these two themes starting with the M.D. bothered me mildly, they didn't completely jar me because neither is all that unusual in OD practice. Primarily, they registered as phenomena to be dealt with. In the first case, it soon became clear that I would not, in my view, be doing an honest job for GMH without somehow dealing constructively with expectations around helping the Elizabeth V.A.P. (besides, there was the "irresistibility of the challenge"), while at the same time knowing many other pieces would have to be in place before that could be done. In the second case, I knew I would have to do something to help people understand OD and my role in it, at least to the extent that this lack of knowledge and understanding would not present a barrier to the change effort.

Beyond those two issues, the M.D. and I talked about a wide range of get-acquainted-with-each-other-and-the-organization topics, and I found him quite open with data about the organization, its performance, and his feelings.
My final request was for an understanding that I was free to talk with people and work at all levels and in all parts of the organization without worrying about chains of command or other bureaucratic obstacles and, most especially, that I be free to talk with him further whenever I felt that necessary. This request was enthusiastically granted.

On balance, therefore, I felt reasonably good about this first meeting with the top man. Some concerns were raised, certainly, but some important expectations were surfaced both ways and nothing presented itself as an insurmountable obstacle.

The next weeks, then (actually most of the time from February 1 through the first week of March), were spent in similar get-acquainted meetings with key management people in the organization along with some tours of facilities. This itinerary had been prearranged by the Training Manager and the Personnel Director and in the course of that time I met and talked with about 35 of the most senior managers in the company, toured all the facilities in and around Melbourne and Adelaide, and talked more informally with many, many others--primarily in management. The get-acquainted meetings planned for me were planned for just that--getting acquainted--but with my scouting agenda in my head I tried to use them for some more systematic data-gathering than that; for further determining felt needs and supportive and resistant forces. Since the schedule was built around
getting acquainted almost as pro-forma social calls, there often wasn't much time, especially between meetings. I frequently felt myself suffering from "data overload" but would try in the few spare moments I could snatch between meetings and always at the end of the day to spill my impressions into a tape recorder. I also always checked my perceptions after meeting someone with the ratings given that individual by the GMOO Fellows (I did not look at their data before the encounters).

In addition to one-on-one meetings, I was also invited by the Training Manager (who, incidentally, accompanied me on many—though not all—of these meetings and served generally as my "introducer") to speak to groups of managers scheduled into one of three levels of week-long management training sessions: basic management (for first-level supervision), intermediate management (for second and third levels of management), and advanced management (for senior management usually up to but not including the Director level). My practice was to give about 10 minutes of background on myself and then open it up for questions and answers. I always asked a lot of questions myself, thus taking the opportunity to create a sort of group interview or "sensing" session.

A critical one-on-one meeting was the one with the Director of Manufacturing, a most powerful man with something on the order of 85 percent of the organization reporting to
him and responsible for about that share of the annual budget. Moreover, he was the man about whom I had often been warned as the source of the greatest potential resistance. In this first encounter, he was most gracious, though obviously a man who knew he possessed considerable power. He concluded by saying, "I really want to use you while you are out here and learn from you." To which I replied I hoped it would be a mutual learning experience.

Perhaps the most significant of those first meetings, however, occurred on Thursday of my first week when the Training Manager and I drove to just outside of Melbourne to the suburban Dandenong V.A.P. It was there that I met the Plant Manager who was to play a most important role in my stay, both professionally and personally. The Training Manager, the local plant Personnel Manager (whom I had also just met and who turned out to be a long-term professional and personal supporter), and I went up to the Plant Manager's office and the conversation started in the usual way. When he was told I was an Organization Development consultant, he asked me to explain OD. I have never felt very comfortable nor successful trying to do that in a few words across a desk, but I made my usual fumbling effort. After letting me ramble a few minutes, he interrupted and said, "I'm not sure I understand, but let me tell you what we're trying to do here." He then proceeded to describe his efforts since he had been Plant Manager (only about 2 months) to install a
sense of teamwork--starting with his immediate work group, some other key members of which were also new, either to that plant or to their jobs--throughout the organization, to improve communication, and to "get people involved." I replied that he had just defined OD. At the same time, light bulbs were going off in my head, lighting up visions of the Greiner (1967) model of successful patterns of organization change (see also Chapter II of this study). There it was: a new man at the top (plus others), a reexamination of past practices, etc. My enthusiasm was encouraged to wax further when I found out he had been the personal choice for this new job of the Director of Manufacturing--the one I had been warned of repeatedly--and had a close and influential relationship with him. Fortunately, I was more well versed in the assembly part of the business than any other because I had spent the first 4 years of my OD career exclusively in assembly plants. For these and other reasons, he and I got along very well from the first and, as will be revealed a bit later in this story, he turned out to be of immense help and importance in getting OD launched in GMH.

In addition, that day he introduced me to a most pleasant Australian custom. It was February, the counterpart to a U.S. August in the Australian summer, and, I was told, the hottest day of the year. Thus, after our conversation and a tour of both the passenger car and truck assembly plants, we went to the executive dining room, whereupon the manager
of food catering brought forth liter bottles of Australian beer and a platter of cheese and what I called crackers but was informed were "bickies" (or biscuits). That was the first of my "beer and bickies" sessions at the Dandenong plant, but only the beginning of a plant tradition that will be referred to later in this case. Thus, over beer and bickies, the Plant Manager and I began to cement a relationship. That relationship was professionally rewarding to both of us, I believe, evidence of which will emerge in this study. On a personal basis, this Manager and his wife became the closest Australian friends my wife and I have.

This man was not one rated by the GMOO Fellows because he was not in a key position at the time they made their ratings, having been promoted in the interim. Certainly, at my first opportunity, I added his name to the list and awarded him three pluses. There was a great temptation to jump immediately to the conclusion that here was an appropriate entry point; however, it was only the first week of my scouting and I was still committed to measuring 10 times before I cut. Thus I resisted the temptation temporarily, but kept the data from this visit in an active storage core for ready retrieval.

This represents another phenomenon fairly typical of my pattern of behavior and thought during this early, get-acquainted, scouting period. That is, while I was firmly trying to maintain a personal discipline regarding keeping
an open mind and keeping options open, I nevertheless kept developing tentative diagnoses, tentative analyses, and thinking through tentative strategies. These would have the practical effect of hypotheses, developed almost daily to be tested by the next day's round of interviews and meetings. Usually I kept them only to myself because they were very tentative and changing continually, and I didn't want to prejudice any ultimate entry strategy. However, I would occasionally test a theory with someone I trusted to clarify whether or not I was completely out of line. Other times I would pose one of my hypotheses to someone I was meeting for the first time as a sensing question, thus garnering further data from his response.

For example, one of my discoveries, pleasant though not altogether surprising, was that there were people such as the Plant Manager discussed above who were practicing or attempting to practice approaches to management consistent with OD principles. It naturally occurred to me to want to build on this source of support and potential strength. Since I was just one person, from the outside, and leaving in 6 months, I did not represent sufficient "critical mass" (Harrison, 1971a) to sustain a change effort, but, I thought, if these internal "users" were linked together (Harrison, 1971a) there was a possibility that such mass could be attained. Therefore, I began formulating a list I called "Potential Internal Network of Users." By the end of the
first month, I had listed 14 candidates for that network from plants, the Supply, Financial, Personnel, and Sales departments, and representing different levels and skills such as manufacturing, systems development, and training.

Along similar lines, I continually noted potential pilot demonstration projects as possible entry points including several production departments in plants, and some central staff activities.

I toyed with diagnostic cause-effect models, one, for example, attempting to depict the dynamic interactive cause-effect relationships among the "wholeness" of the company, its low volume, scarce human resources and scattered geography, in combination with strong (actually rigid would be more accurate) functional boundaries for problem-solving and career development. All of these factors were further affected as an entire system as well as in each part by an extremely rapidly changing social-political-economic environment. This systemic analysis, tentative and first brush as it was, led me to serious consideration of the potential return to be realized in this organization by what O'Connell (1968) called "economies of coordination" (p. 2). Since the traditional routes to economies of scale and specialization were effectively blocked, this less traditional approach of searching for efficiency through coordinative efforts seemed to hold some promise and there was clearly much room for improvement. As indicated, problem-solving tended to take
place up the chain of command within narrowly defined and nearly impenetrable functional boundaries as did career development. Most Directors, for example, who were functional staff heads, had spent their whole careers in the one department which they now headed. For this and other reasons, it was very difficult for these individuals, when they met as a group, to take off their functional hats to look at the enterprise as a whole. Further, there were comments from throughout lower levels of management decrying the lack of explicit and coordinated direction from the top. In my reflections on these matters, I dug out the following from Lawrence and Lorsch (1969):

When units (because of their particular tasks) are highly differentiated, it is more difficult to achieve integration among them than when individuals in the units have similar ways of thinking and behaving. As a result, when groups in an organization need to be highly differentiated but also require tight integration, it is necessary for the organization to develop more complicated integrating mechanisms. The basic organizational mechanism for achieving integration is, of course, the management hierarchy. In organizations with low differentiation, we have found that this is often sufficient to achieve the required intergroup collaboration. However, organizations with the requirement for both a high degree of differentiation and tight integration must develop supplemental integrating devices, such as individual coordinators, cross-unit teams and even whole departments of individuals whose basic contribution is achieving integration among other groups. (p. 13)

Their description of an organization with the dual requirements of high differentiation (due to a complex and rapidly changing environment) and tight integration (for
needed economies of coordination) seemed to fit GMH exactly
(or, to use an Australian expression, which I found myself
doing increasingly, the description was "spot on"). There­
fore, I began to probe for and develop ideas for "supplemental
integrating devices" as well as to look for ways of
improving integration within existing mechanisms.

However, I was still "measuring."

The concepts of Paul Lawrence were also helpful in
another significant "measuring" or scouting expedition in
this first month. As I said earlier, the Elizabeth V.A.P.
and its troubles were described to me by virtually everyone
with the remotest interest whom I met during the first three
weeks of February. This period of time was all spent in and
around Melbourne and, of course, the Elizabeth plant was
about 400 miles away in South Australia and I hadn't been
there as yet. The Director of Manufacturing, whom I very
much wanted at least neutral if not as an ally, asked me to
visit the plant with him on February 27 to meet key people
in the South Australia operations (about half the company)
and particularly to begin to determine what might be done
to help this plant that was in such desperate shape.

On the way in the plane he informed me of something
that contained within it no little irony. He said that it
was he who, some time ago, had requested that a Corporate
OD resource be brought to Australia to help with the "people
problems" of the company, especially those at Elizabeth.
This came from the man I had frequently been cautioned about. There was never an opportunity to conclusively resolve the truth of that claim, but I attempted to capitalize on it with him from that point on.

At the Elizabeth plant itself, the Director of Manufacturing introduced me to several key people and we concluded the day with a meeting of the two of us along with the Plant Manager, the General Superintendent of Production (second from the top of the plant manufacturing organization), and the two senior Industrial Relations people responsible. The Manufacturing Director was attempting to show to these key people at Elizabeth his support of me and the sort of resource to them that I represented. Further, he attempted to steer both them and me toward an intervention with the unions, who had been, in management's view, most troublesome--to put it mildly--for some time in the plant. (In fact, a shop steward had, the week before, been "sacked" for support of sabotage.) I saw great hazard in jumping to that sort of intervention before a lot of other preparatory work had been done, as did the plant people in the meeting. All of us voiced some of these concerns while at the same time assuring the Director that we were willing somehow to work toward that eventuality. "Somehow" describes the lack of focus their ideas or mine then had as to how. My main agenda item was to line up the opportunity to return on my own for a more extended and systematic scouting effort at a later time without committing
myself to any particular course of action at this time. It was arranged that I would so return for a 4-day visit beginning about 2 weeks later, on March 14.

I had heard so much about Elizabeth by this time that I began to form some impressions, and it struck me that so much of what I had heard reminded me of a diagnosis made by Paul Lawrence and Arthur Turner of one of GM's assembly plants in the U.S. Lawrence and Turner had been engaged as OD consultants in 1973 in this domestic plant and as part of their early strategy interviewed a diagonal slice of the organization. As a result of these interviews, they built the cause-effect diagnostic model shown in Figure 17. Essentially this model shows a number of "vicious cycles" an organization can find itself in, stemming from the interaction of some fundamental causal variables. It begins with a standard assembly technology, inherent in which are repetitive jobs and the pressure of the line. In this particular plant, these forces combined with a fairly well-educated work force to breed discontent over the years. Add to this a union that had become very strong and, as a result of negotiations over several years, high pay for the average auto worker in the U.S. These circumstances combine with pressures coming from the top to make cars to a schedule "regardless" and to avoid disruptions. Knowing this, the union puts pressure on management to make "deals" or settlements to reduce workloads. The cycle of events or chain reaction
Figure 17. GMAD-Plant X: Diagnosis of Plant Problems and Cause-and-Effect Relationships.
begins there, leading to increased boredom, absenteeism, and overtime to catch up. This in turn leads to higher pay (and even more absenteeism) and even further union power. The union then increases its harassment, causing management to make further "deals," and the cycle begins all over again. One result of the whole admixture of forces was a very low mood on the part of local management consisting of a sense of pressure, finger-pointing, reliance on expedient solutions, and generally low morale.

As I say, what I was hearing about the Elizabeth plant was, with some few exceptions and modifications, remarkably similar to that dismal picture. However, I wanted to test that notion before I went to Elizabeth for my 4-day visit. I arranged to meet with the Training Manager and one of the training people who worked for him, a man who was viewed by many as a keen observer of the organization. I trusted the judgment of both of them and, in addition, they both had a foundation in behavioral science theory. I simply told them what my impressions were and the story of the Lawrence-Turner intervention and drew the model shown in Figure 17 on a chalkboard explaining it as I went. I asked them to challenge the diagnosis as they saw it applying or not applying to Elizabeth. They were in general agreement that the model did apply; however, they pointed out other respects in which it did not and additional critical factors which did not appear on the model. As a result, I went to Elizabeth on
March 14 feeling I had a generally useful conceptual framework for my scouting efforts, but aware of the need to allow for further inputs that might not fit the model as presently conceived.

During my 4 days there, I met with and interviewed more than a dozen of the top key managerial personnel involved. A group interview of about 20, representing all levels and functions of management, was also arranged. In addition, I had one of the most productive plant tours I had ever experienced, the Lawrence-Turner diagnostic model coming in especially handy as I viewed the technological issues in the plant. Also, two key people—the Plant Manager and the Personnel Manager for South Australia—each offered, unsolicited by me, and independently (without knowing the other was doing it), a list of potentially ready, supportive, and capable management people. These lists later were very valuable, as will be discussed in the "Elizabeth" section of Chapter VII.

At the conclusion of that visit, I modified the diagnostic model in light of what I had learned. Actually, over the next few weeks it went through several iterations in my mind as well as on a paper, until it looked as it is shown in Figure 18.

It will be noted that there have been some additions and modifications. Significantly, in the cause-effect chain starting from the top, there is no "people orientation" from
Figure 18. Elizabeth Assembly Plant: Consultant's Diagnosis.
top management. Certainly, no evidence of such came from
my interviews or observations. Another very important chain
begins in the lower left-hand corner and eventually rises up
to meet the technical causal chain. Just about 2 years
before my arrival on the scene, it turns out, a "Rationaliza-
tion Plan" had been developed by the top management of GMH.
That plan included closing down the Elizabeth Assembly Plant
and transferring its production to Dandenong--the V.A.P. just
outside of Melbourne--where a second shift would be added.
The official announcements were made and the plan enacted to
the point where some management people who were asked if they
wanted transfers from Elizabeth to Dandenong had sold their
old homes and bought new ones a thousand miles away. Then
a shocking thing happened. It was discovered not enough
people could be hired in the Dandenong area to man a second
shift and therefore the whole plan was scuttled. The shock
waves were still strongly reverberating 2 years later. The
direct effect of those developments on worker and management
morale and security were bad enough, certainly, and people
were not yet convinced that they might not receive similar
word of an imminent closing at any time. Beyond the immedi-
ate psychological effect, however, were substantive effects
on the system. Because there were plans to close the plant,
no maintenance was done on the tools or machinery for a long
period of time. A structural problem contributed to continu-
ance of this problem in that the Maintenance Department was

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not, as was the case in other assembly plants, part of the plant structure. Elizabeth was a multi-plant complex, and the Maintenance Department reported to another plant. Therefore, the V.A.P. would have to "beg," to use their word, for service. These two factors combined with the fact that almost as soon as the rationalization scheme folded, a recession began and there just wasn't money available for the projects required to get tools and machinery caught up from the deficit incurred by the plan. The result of all of this was that little or no preventative maintenance was done and there were frequent assembly line breakdowns, which, given the technical inflexibility of assembly line technology, immediately and clearly resulted in not meeting production schedules—the most acute of performance symptoms. This result, in turn, contributed to the self-fulfilling prophecies of doom and discouragement reflected in the mood of local management, to which a few items were added to the original Lawrence-Turner model.

One other matter of note was the apparently slight revision relative to changing "Strong Union" to "Strong Shop-Floor Union Tradition." This, to the people in this plant, was no minor change. The community of Elizabeth was a fully planned community, planned by the Labor Government of the State of South Australia in the fifties. Part of the scheme was the active recruitment of migrants from England's industrial midlands. Offices were set up in England with
pictures and displays and new, inexpensive homes were sold to people in England and generous financial assistance given for relocation. A man might even receive the keys to his new home in England and open the door the day of his arrival in Australia. This resulted in the importation of the customs of the area, including the labor custom of the strong and independent shop steward who led his mates on the shop floor, sometimes ignoring—and sometimes actually flaunting—state and federal union leadership.

Thus was the state of my diagnosis of the Elizabeth V.A.P., based on the Lawrence-Turner model substantiated and/or modified by data from interviews and observations. Except for my continuing ruminations on it, it was then stored for use at a later time. This use will be found in the "Elizabeth" section of Chapter VII.

Meanwhile, as the above was fermenting and developing in my mind, other scouting went on. Three more significant aspects of the scouting period require discussion.

The first of these was a serendipitous development that enhanced the chances for success considerably. Shortly after my arrival came the news that a new Manager over all of the Vehicle Assembly Plants was being brought out from the U.S. It turned out that this man was one I knew quite well and had worked with in OD in the past. Indeed, his assignment just previous to this promotion and transfer to Australia was Plant Manager at the most innovative plant in
GM, a plant that was actively experimenting with everything from innovating management structures to the elimination of time clocks to team assembly of vehicles. Both the Elizabeth and Dandenong V.A.P.'s reported to him, of course, and both were most actively being considered for interventions. After his arrival we talked frequently and jointly built some strategy, which will be discussed in the course of the case.

The second of these final aspects of scouting to be discussed here has to do with another key relationship. I mentioned earlier that the Training Manager was my chief internal contact person, the coordinator of my activities, and apparently the person who would continue in the OD function upon my withdrawal from the system. As a result, it should be mentioned that for most of the above activities he and I operated as a team; for example, going to interviews together and reflecting on them. He did not make the visits to Elizabeth with me, but, as already indicated, I did share the Lawrence-Turner diagnostic model with him previous to my visit, and did likewise with successive post-visit iterations of the model. We spent a great deal of these first couple of months together. I was very dependent on him for internal contacts and arrangements, while, at the same time, I was trying to help him learn with me in anticipation of his being central to the continuity of the change effort.

Finally, a few words about MBO (Management by Objectives). As indicated early in this discussion of scouting,
one of the situations I faced was the lack of understanding of my role. While this provided, in my initial contacts with people, some opportunity to establish rapport by explaining myself, it is not an opportunity without hazards. As I already pointed out, I have never been—nor do I know anyone who has—very successful at briefly and satisfactorily defining OD. When I would begin trying, people often tried to help by, as previously mentioned, suggesting the more widely known manifestations of OD such as job enrichment, team assembly, human relations and the like. I would typically deal with this phenomenon with a response like, "Well, yes, that can be one way OD is applied, but it's a broader thing than that and we may or may not use that approach depending on what's appropriate for the situation." One such sub-set of OD, however, I learned fairly soon was not to be treated that way. It seems that a couple of years before MBO was started in GMH with great flurry and fanfare and then unceremoniously collapsed. I quickly researched the history of the effort and found violations of practically every principle of implementation strategy, including those reviewed in Chapter II of this study. This was viewed as the ultimate exercise in futility by almost every person I talked to. Phrases like, "This is not another MBO, is it?" or "What makes you think your scheme is going to turn out any different than MBO?" were strong indicators of a mood of skepticism at best and outright cynicism at worst. Many
people seemed convinced nothing would help. I admitted to these people, most of whom thought MBO could be of some value but who were decrying its lack of implementation, that MBO could be considered as part of an OD strategy, but tried to assure them that (1) they were not synonymous and (2) we would try to avoid some of the mistakes of that previous undertaking. It was the catch-phrase, however, that could immediately signal skepticism throughout the time I spent in Australia.

Thus, as described in all of the above, I went about "measuring ten times." One can always measure more, of course; there is always more information one needs or could use, more reflection or analysis one should do. However, at some point measuring or scouting can become an excuse for lack of action. What's more, I was on a 6-month assignment and a month and a half were gone. From experience, I knew that it always takes longer to cause things to happen than one plans. I was beginning to feel pressure to cut.
CHAPTER VI

ENTRY: CUT TWICE

A meeting of the GM Overseas Administration Committee—a group of the most senior people in the management of all GM Overseas operations—was scheduled for Melbourne starting Sunday, March 9. On March 12, the General Director of Personnel for GMOO was to meet with the GMH Personnel Director and his section heads for an update on Personnel activities of the company. As a matter of courtesy, knowing I was still "getting acquainted" and wouldn't have much to report, the GMH Personnel Director asked me if I would like to be on the agenda. I hesitated a moment, feeling that the most logical thing to say was no, but said yes. I added that I wouldn't have much to say but that I would take the opportunity to bring the man from New York up to date on what I had been doing. In my own mind I was seeing it as an opportunity to consolidate my own thoughts.

The weekend prior to March 12 then was Labor Day Weekend in Australia, a 3-day holiday. As I went about activities with my family those 3 days, preparation for my presentation was brewing in my head. Finally on Monday, March 10, Labor Day, my thoughts began to come together. It was a lovely day in the Australian autumn and I took a walk by myself.

I was facing some personal dilemmas, most of them
involving time. On the one hand there were pulls, personal and professional, to stay beyond 6 months. Professionally the challenge was certainly there and an ego that told me that if given sufficient time I might make a significant contribution to the company in general and to tough situations like Elizabeth V.A.P. in particular. This was coupled with a concern that relatively little could be done in the 4-1/2 months that were left. Personally my family and I were enjoying Australia tremendously and sharing a rewarding family experience we didn't want to end for a while. On the other hand, it was a 6-month assignment and I had no reason to think it might be extended, either on the part of GMH, GMOO in New York, or my home office in Detroit. Moreover, there were professional pulls to return home as well, not wanting to miss out on challenging developments in the U.S. I also knew a truth about myself was that I always tended to get overly involved and to want to "do it all" without being satisfied to do what can be done. On the personal side, we still owned a home in the U.S., had a dog there as well as school chums, etc. As I walked that day, I contemplated those pulls and counterpulls and reached a decision that the best and most feasible position I could take at that moment was that I would be there for 6 months and 6 months only and that it was important for me and for the organization--almost as a matter of my personal and professional integrity--that I and the organization keep that firmly in mind. Therefore,
I thought, I needed to develop some goals for myself and my assignment that were 6-month goals and not 2-year goals. The question then, of course, was: What are 6-month goals?

By Wednesday, the day I was to be on the agenda with the other Personnel section heads and the GMH and GMOO Personnel Directors, I had worked some out and had talked them over with my internal partner, the Training Manager. The latter immediately threw a monkey wrench into the machinery of my firm integrity and resolve by telling me I ought to forget about 6 months; that it was clear already that I'd be staying longer than that. I tried, however, to ignore that and forge on with my commitment to "doing a 6-month job" for GMH. I also told the Training Manager that I was going to make a couple of tentative "cuts" that week.

In my brief remarks to the GMOO Personnel Director on March 12 (and actually to the management of the local Personnel Department as well, since they were also wondering when and if I was going to do anything except poke my nose into everyone's business), I outlined four goals of "a 6-month job" as I saw them:

1. To develop top management understanding and support as a minimum and obtain their guidance or direction setting for the effort as an optimum.

2. To build on what already exists, i.e., to develop a network among those already managing consistently with OD principles so they could share with, learn from, and support one another.
3. To build internal OD specialist resource capability.

4. To help the organization make appropriate plans for institutionalization of the OD effort.

I added that we might engage in pilot demonstration efforts but that these—although they should prove helpful as ends in themselves—would primarily serve as means to the above goals.

There was agreement from the GMOO representative as well as the GMH people around the table that these were worthwhile goals for the remainder of my stay.

The next day I made two cuts.

I went to the Managing Director and reviewed some of my general impressions to date, the goals outlined above and the rationale for them, stressing the importance of top-level understanding and support. As a concrete suggestion for getting under way, I recommended a 3-day offsite meeting of his staff—the Board of Directors or Department Head group—to familiarize them with OD, hopefully obtain their support, and, if possible, get some direction from them. He himself was not very familiar with OD approaches, of course, and I explained the sorts of things that might happen in such a session and why I thought it might be helpful. While attempting to be supportive, he obviously felt some hesitation to commit his staff to 3 days—probably weekend days—away from their jobs and their families without their knowing
(or his knowing, for that matter) more about what was involved. He finally asked if I would mind taking about an hour in the Boardroom to make a presentation to the group about OD and helping them to understand the need for a 3-day offsite meeting. In my head I wrestled with a dilemma. Again, I didn't feel confident to get sufficient appreciation of OD on a 1-hour stand-up presentation whereas I was confident I could in a 3-day session with generous use of experience-based learning exercises. There is Harrison's (1971a) guideline: "Develop confidence and credibility on the part of organization members through situations where the OD unit's unique expertise shows to best advantage" (p. 2). I knew from experience that the sort of 3-day session I had in mind would be consistent with that guideline. One hour in the Boardroom likely would not be. However, it was a perfectly reasonable request and it looked like as much as I could get at the moment. Therefore, I gulped and took it. We set up the time for the last part of the afternoon of March 20, and I left unsure of whether I had moved forward or backward. If the presentation turned out badly, it could have effectively blocked future progress. I went directly from the M.D.'s office to the Personnel Director's, told him what had happened and my mixed feelings about it. He consoled me to a degree and assured me I had made the right decision.

The same day as the above encounter, I was scheduled to
go out to Dandenong to speak to one of the training classes I talked to from time to time. I went out early and met with the Plant Manager of the Dandenong V.A.P.--the man whom I became so enthusiastic about my first week in Melbourne. I chose to try to enter through him for a number of reasons. Some are obvious from my discussion of the previous meeting. He was a new manager, already trying to sweep with a new broom and the broom was similar to an OD broom. There were other new managers in key slots as well. The plant had apparently been under fairly repressive management for some years and was in third place out of the four assembly plants in most performance measures, with Elizabeth being the only plant in worse shape. Yet, with the new management team in place only about 3 months, there was obvious momentum toward turning things around. Enthusiasm was catching throughout the plant and people were, under the new leadership, beginning to learn they could do some things successfully. All in all, it seemed to fit the Greiner (1967) pattern of successful change to a T, and I thought it was the perfect spot for me to play a catalytic role to help them capitalize on their momentum, at the same time developing a demonstration of a "winner" for OD, thus meeting the Harrison principle stated above. At the same time, this Plant Manager, as I have already said, was the choice of and had influence with the Director of Manufacturing, one of the most, if not the most critical combination gate-keeper/opinion leader in the
system. Moreover, it was an assembly plant, and a success there, I reasoned, would aid in obtaining appropriate support from him and other key people for an overall GMH strategy but more specifically for the Elizabeth V.A.P. situation when and if that needed to be approached. (As already indicated, I felt some responsibility to tackle the Elizabeth project before I left, but I did want to get other pieces of the puzzle in place first.) All roads, it seemed, led me to the Dandenong V.A.P.

I very frankly and openly explained all of the above to the Plant Manager, with whom, as I described earlier, I had already established a pretty good relationship. I summed up by telling him very honestly that I would like to "use him and his plant" (and that's the expression I employed) as a means for establishing credibility for me and OD; at the same time, I said I thought I could help him. He was eagerly receptive, indicating he was hoping to use me. (Consistent with research, he, as an innovative type, eagerly used resources wherever he could find them provided they made sense to him and, given his ego, didn't detract from the clear understanding that it was his plant.)

We then went on to explore options together. I explained many of the intervention "families" discussed in Chapter II, especially those I thought might have some fit for his plant's situation. The one he preferred was to begin with a Beckhard (1967) "confrontation meeting," an
approach to organizational goal-setting and problem-solving. Designed as it is for large groups and for fast action so as to develop at many levels, all at once, "broad and deep support for change" (Fordyce & Weil, 1971, p. 95), it had great appeal for this man who was already trying to do just that and do it as fast as he could. Moreover, it is such a straightforward, no-frills process that it usually makes just good, practical sense to managers. It was also my preference though I conscientiously tried not to bias the decision too strongly, because I too needed a quick winner and though the other approaches we discussed may have worked, they didn't promise results with the same efficiency. Therefore, we agreed to begin that way and he called in his secretary then and there and dictated a letter to the Director of Manufacturing requesting approval to go ahead, since it would involve weekend time and participants would need to be paid overtime. The preparations for the meeting and the meetings themselves will be covered in the "Dandenong" section of this chapter.

The next day I went off for my extended visit to Elizabeth which I have already described. While on this visit I also had to prepare my presentation to the Board since it would take place late on the day after my return.

The day of that critical presentation came on March 20. Basically the presentation consisted of the Beckhard (1969) definition of OD—"an effort (1) planned, (2) organization—
wide, and (3) managed from the top, to (4) increase organization effectiveness and health throughout (5) planned interventions in the organizations processes, using behavioral science knowledge" (p. 9)—that I took apart and expanded on the key points by using real-world examples, mostly from General Motors experience, which I believed these men would find credible. I particularly stressed "managed from the top" and, based on Harrison (1971a), discussed three possible levels of involvement from them, the top of GMH. I said that as an absolute minimum they needed to give "permission for change to occur" (p. 2), for others in their organization to experiment under a reasonably protective umbrella. Without that, I said that I might as well return to the U.S. and save time, energy, and frustration for all of us. The second level, less than ideal but better than the first, is "support and encouragement for change" (p. 2), and the third, most ideal, is "active participation in change in which higher management actively involves itself in the change process."

I indicated that though the last level was obviously preferable to me, I felt something productive could develop whichever level they chose, but, to be fair to both me and others in their organization it was important to know from which level we were operating. I also showed them a cafeteria line of options for ways they might get involved, which included but by no means was restricted to a 3-day offsite meeting.

Indeed, by the time of this presentation, I had decided that,
while advantageous, I and the effort could in fact go on whether or not such a 3-day event occurred.

When I discussed this ahead of time with the Personnel Director, he had been disappointed. He was of the view that I should strongly sell the 3 days and felt strongly that the group would choose not to engage in such a meeting if they weren't pushed to do so. He reluctantly allowed me to do it my way.

When I concluded the presentation, without any specific recommendation beyond the list of options, the Managing Director told the group of the meeting he and I had had and how he wanted them informed and part of a decision regarding a 3-day event. He then turned it over to the group for discussion. The ensuing 15 minutes were among the highlights of my work with GMH. Spontaneously, without the slightest reluctance or feelings of duress, individuals began talking of the need they felt for that group to get away and take a look at themselves and their organization, where it was, and where it was going. The conversation bounced from man to man in the liveliest fashion and felt needs were expressed that I had been hearing from other parts of the organization for almost 2 months and, in fact, even before that when I was still in the U.S. Calendars came out and dates were chosen. Because the M.D. was going to be in the States for an extended time, it was necessary to put it off for over a month, but a Friday, Saturday, and Sunday in May (May 9, 10,
and 11) were chosen. The preparation for this meeting and the meeting itself are covered in "The Executive Council" section of this chapter.

Two cuts had been made and, for better or for worse, an entry strategy was in motion.

Dandenong

As stated earlier, the Dandenong Plant Manager was eager and somewhat impatient. As soon as he received approval from the Director of Manufacturing, he was ready to hold the Confrontation Meeting. He was especially anxious to be the first "user" in GMH. In my opinion, however, I thought it better if he wait until after the Board held its 3-day meeting and, hopefully, established some course of direction for the GMH OD effort. The action plans growing out of the Dandenong meeting could then have been shaped to be consistent with the more general company strategy. This seemed a more rational and logical process to me. However, the Board session had, as indicated above, been put off until May and the Dandenong Plant Manager didn't want to wait that long. What's more, he persisted in wanting to hold his session before the Board. He persuaded me and we went ahead. As it turned out, I believe this was the better approach in that it actually gave OD a "winner" before the Board session and added to my credibility prior to that all-important meeting.

In preparing for the Dandenong Confrontation Meeting, I
met first in a planning session with the Plant Manager, his immediate reporting staff, and the Personnel Manager. I had sent them copies of the Beckhard (1967) and Fordyce and Weil (1971) materials on this approach and asked them to be prepared to raise questions regarding it and to make final plans for the meeting. After answering their questions, which served as an opportunity both to educate them further as to the process and their roles in it and to quiet some of the anxieties they had about going in to such an unknown venture, they made several decisions—a process which served to increase their sense of ownership in making the meeting successful. The first decisions had to do with the size and makeup of the group. Beckhard (1967) suggests the meeting is designed for 40-100 people. The most I had ever done it with was 45. It was decided that they really wanted to include all levels of supervision and as many functions as possible. This meant about 130 people. I gulped, but agreed so long as they understood the trade-offs and the administrative difficulties. The latter consideration led to offers of much administrative assistance, and P.A. systems, and instant transparency makers in lieu of chart pads, etc. They also believed it to be absolutely critical that the Quality Control function be in attendance even though the Plant Manager did not have direct control over that function. Right in the meeting, then, the Plant Manager called the GMH head of Quality Control, explained the situation and asked if it was
all right to involve the plant Quality Control supervision. The QC Department Head, part of the Board group to whom I had made a presentation and who committed to the 3-day meeting, responded enthusiastically in the affirmative. The local plant QC Manager was then immediately invited into this planning meeting. (This little anecdote is illustrative of several things. One is the issue of inter-organizational boundaries that existed and how one had to proceed up and over channels to get another function, interdependent but outside strict reporting lines, involved. Two is the inclination of the Dandenong Plant Manager always to take direct and immediate action, a trait that sometimes caused him problems but in my case of trying to develop an early demonstration of success it was most helpful. Three is that here was the first instance of even a small degree of synergy resulting from interventions with two subsystems and a concrete instance of support from the top.) Thus, the Confrontation Meeting would be participated in by about 130 representing all levels of management and the following functions: production, materials, industrial engineering, and maintenance. Financial and Personnel were not included basically because of numbers. Several people from Personnel attended, however, to assist with administration.

A second decision was to hold the meeting over two consecutive Saturdays for approximately 4-1/2 hours each of the two Saturday mornings. The more standard approach would be
to do it all in one day or an afternoon and the following morning. Spreading it out was decided on because of the logistics involved with such a large group, and, more importantly to be sure, Australian Rules Football season was just nicely under way and no one--including me--wanted to miss the "footy" on a Saturday afternoon.

Third, it was decided that the name "Confrontation Meeting" might have connotations that could frighten some participants. Therefore, the name "Dandenong Problem-Solving Meeting" was chosen.

Finally, it was decided to hold a "Beer and Bickie" get-together for all participants after the shift on the Thursday prior to the first Saturday meeting (which was to be announced by means of a letter from the Plant Manager to all participants). This was designed to allow the Plant Manager to assure all participants of his sincerity and enthusiastic support and to allow me to explain the process in greater detail and answer questions. This, it was hoped, would reduce potential anxiety in the group and make it easier for them to approach the meeting with enthusiasm. Financial and Personnel departments were also invited so that, though they would not be participating, they would understand what was going on. At the beer and bickie session itself, I walked them through the process in detail including reading them their exact task instructions for the two Saturdays.

On the first Saturday the group, in general session,
was given the following instructions:

**Group Tasks**

1. There may be some people in your group who don't know each other at all. There will certainly be some who don't know each other well. Take whatever steps the group feels would help you to get better acquainted with each other.

2. Select a recorder, someone who can print clearly. The recorder should feel free to participate in the discussion.

3. The main task for your group is this: Arrive at a list of changes that would make the plant both more effective and a better place to work. Changes may be suggested in any area: objectives, organization structure, relationships, management style, procedures, performance, formal and informal policies, etc., etc., etc.

4. After arriving at your list of suggested changes, select a spokesman to report your list in the general session. He or the recorder should get the list produced as a transparency. The spokesman need only prepare to say enough about each item on your list to make sure that its meaning is clear to others in the general session.

They were then divided into diagonal slice groups--mixed functions and levels, nobody in a group with his supervisor--in which they worked on those tasks. About mid-way through the morning, they reassembled and reported. There were over 100 proposed changes ranging in kind from "Eliminate bird droppings and subsequent damage" to "Achieve maximum profits by optimum volumes in normal hours at stable rates." There were also comments to the effect that simply getting together like this and learning to understand each other's problems was worthwhile in and of itself. However, there was also some skepticism as to whether anything would...
actually get done.

During the week between meetings, a committee met and purged the list of proposed changes of overlapping items only, without removing any actual items from the list. The resulting 71 items they then sorted into these categories: Organization, Scheduling, Quality Control, Working Conditions, Maintenance and Tooling, Communication, Materials, Engineering, Personnel, Production, and Other.

Another critical event occurred between meetings. For the second Saturday the group was to be divided, for priority-setting and action-planning purposes, primarily by production departments, i.e., body shop, trim, paint and vehicle, or final assembly. Service department staff would meet with the production department they served, in effect creating small "business units" or "business teams." Since the superintendents of these units would be leading the small group meetings and had little preparation for doing so, I met with them ahead of time. During that meeting we discussed how the Saturday small group sessions might be made more successful, with emphasis on how openness might be encouraged. That group developed the following list of "Helps" and "Dont's" which they published under the heading "Aid to Discussion" to be handed out at the Saturday meeting:

**HELP**

BE REALISTIC.

BE ENTHUSIASTIC.
METHODOLOGY:

--Go through list of categories.
--Open discussion.
--Does department have equity.
--Is it a serious problem.

Start it with a topic you know will interest people.

Moderate discussion--keep it moving.

Emphasize follow-up will be carried out.

DON'TS

PASS THE BUCK.

AVOID ISSUES.

SUPPRESS OPEN DISCUSSION.

RIDICULE IDEAS.

EMPHASIZE LEVELS OF POSITIONS.

Dwell too long on any one issue or side issues.

At the second Saturday session, the following instructions were given:

Group Tasks

1. Go through the entire list and, as a group, select the three or four items most important to your department. Determine what specific actions your department will take on these items and when you will start. Consider the assignment of follow through responsibility to insure it gets done. Be prepared to report your action plans in the general session.

2. Go through the list again and select those items which you think top Plant Management should give highest priority. (These should be items your group can't deal with.) Prepare to report these items in the general session.
3. There are people who will be affected by the results of this meeting who are not in attendance. Develop a plan for communicating what happened at this meeting to those not in attendance. Prepare to report your plans in the general session.

Each group then worked on those tasks. Action plans were then reported by each superintendent in a general session. Standing up and committing himself and his department in front of his top management, his peers, his subordinates, and 130 people in all, had no little impact. The Plant Manager then stood up and offered words of support and encouragement for those commitments that had been made and, more importantly, committed himself and the top management group to specific follow-through plans regarding items referred to them.

It should be noted that the actual conducting of the two meetings was done by the Plant Manager's Administrative Assistant. I made some remarks at the beginning of the first meeting and, at the Plant Manager's request, at the close of the second. In between, it was completely conducted by "insiders."

In my experience, I have found the Confrontation Meeting a fairly fool-proof approach in that it has never been a failure. It may not get at a sophisticated diagnosis nor hidden, sensitive issues, but is not designed to. As a straightforward process of getting a lot of people involved on a nuts-and-bolts level, however, it gets something accomplished. The degrees of success, however, depend on
follow-through. Even after the second meeting, which generated much enthusiasm, I still heard the next Monday of comments such as "Aw, it'll all just go in one ear and out the other." Never, though, in my experience, have I seen follow-through occur as I soon did at Dandenong.

The Plant Manager was a bulldog on follow-through—again, a trait that contributed to my decision to use this plant as one of the entry points. He had a follow-through meeting of his top group the following Monday and every Monday after that to (1) take action on items referred to the top group and (2) review progress on departmental action plans. Each production department began holding its own weekly "problem-solving meeting" as well, inviting appropriate service department people to attend and contribute. The second Saturday meeting had been April 19, and on April 24 the Plant Manager had a letter out to all participants on top management action on four items referred to the top. Soon there were so many "action reports" floating around that Industrial Engineering took responsibility for putting together status report notebooks for everyone, thus building in a control system.

Action did indeed occur, changes got made, and problems got fixed. Even the problem of bird droppings was remedied.

Two weeks after the meeting, I was walking through the plant on my own and I was frequently approached by participants with anecdotes. One of the more significant, I
thought, had to do with an action plan made by the Maintenance Department to form an "Interdepartment Task Force" to investigate and fix difficulties associated with productivity and efficiency in the "underbody area" of final assembly. The group was made up of an area production foreman (first-level supervisor), a mechanical project engineer, an electrical project engineer, a maintenance foreman, a tooling man, and an industrial engineer. They investigated, implemented a number of actions, and developed plans for equipment changes. The area was already running smoother and more efficiently than it ever had. That was all reported to me by my informant--one of the task force--but, he said, "the main thing was that we learned we could do it together, as a team. We want to try it again somewhere else, now." Thus, not only was an immediate technical problem fixed, but a more permanent learning had occurred. With this success, other such "multi-department trouble-shooting groups," as they were called, were formed.

Because the sorts of structures were put in place that I referred to above, such results were widely shared throughout the plant and synergic reactions occurred. Also because of these structures, momentum was maintained beyond early enthusiasm. Normally, a follow-through meeting of the whole large group is held 4 to 6 weeks after the initial meeting. In this case, by mutual agreement, no such meeting was held because of the numerous other follow-through mechanisms.
The plant, even before these meetings--as has been mentioned--was in a "turn-around" process and momentum toward success had already been building. However, the "Problem-Solving Meeting" seemed to help everything to jell, and within a month the plant was the best of the four assembly plants in efficiency, schedule, and quality, the latter being an indicator that had been progressing more slowly than the others. I had heard and read the word "catalyst" applied to OD and change agents. I understood what that meant intellectually and had had some experience with it as well. Never, though, had I seen or experienced it to the degree I had in this case. It was clearly a matter of catching the momentum caused by many elements at the right time, and, with the addition of one more element, seeing a synergic "explosion" take place.

A review of the state of this plant will take place in the summaries for Time 3 and Time 4. However, in this context it is important to say that enough of the above had occurred prior to May 9 to help with the meeting of the top group of GMH scheduled to begin on that day. That will be reported next.

Executive Council

Between March 20, when I made the Boardroom presentation to GMH's top group, and May 9, there was much preparation to be done for their 3-day seminar in addition to carrying on
projects such as that described at Dandenong. The Training Manager and I spent a good deal of time bouncing ideas off one another.

We finally each drew up a set of long-term goals we thought required intervention at the top. His were goals for the company which he wrote as follows:

1. The need for realistic company, departmental and sectional objectives to be understood by all concerned.

2. A need for a sound understanding and application of our financial systems and controls to every aspect of our operating.

3. The importance of quality in everything we do and its effect on our market performance.

4. The managerial styles that help bring people together in a committed team effort to achieve company, etc., objectives, and at the same time experience reasonable job satisfaction and personal growth.

My goals I titled "Objectives of Interventions at the Top" and they were as follows:

1. Build a consensual approach to developing the organization on a 5-year basis.

2. Design a strategy or process for involving other levels.

3. Develop a team that

   --integrates long-range goals and directions for GMH.

   --confronts and works through problems, as a total team, toward solutions that are good for the whole organization.

   --fights fair and openly, on top of the table, for integrative solutions and unifies around those solutions.
--is NOT one which avoids or buries problems, tries to fix blame, or fights behind the back.

These were long-range objectives, of course, and not intended to be accomplished in one 3-day meeting. They were designed, though, to help us put that one 3-day meeting in perspective.

Of course, those were our goals, as the change agents. There would certainly be a problem if we designed toward them and those were not goals shared by the participants. To help get clarification on their expectations, for their benefit as well as ours, I wrote each a letter asking him to respond with an anonymous letter to me regarding two questions. The first was simply to tell me his expectations of the 3-day session. These data, I said, would be summarized and returned to everyone, without attribution, prior to the meeting so that all could share what individual and group expectations there were. The second question was regarding any other background information they thought it might be helpful for me to know, including any personal feelings they might have. These data, I said, would not be shared but would be strictly for the use of the Training Manager and myself in planning for the meeting. I received these, sorted them, and wrote the following letter which was sent to each participant:

**SUBJECT: ALBURY MEETING**

Let me begin by thanking you for your very helpful responses regarding your expectations for the Albury meeting. I would summarize them first of
all by saying there were remarkably similar common threads running through all of them. Though words might have been different, the ideas certainly had enough in common to indicate we have a fairly unanimous set of expectations, which should help in getting the job done. I broke these expectations down into three main themes:

1. The expected content or purpose of the meeting.
2. The expected process.
3. The expected atmosphere or climate.

Following is a brief summary by these three themes along with a sample of typical comments in each case:

1. Content or Purpose—The recurring pattern here was that everyone seems to recognize a need to figure out where GMH is going. This breaks down further into (a) the expectation that we will attempt to arrive at decisions regarding long-term goals and (b) that we will establish some sort of continuous process or strategies for moving toward these long-term goals. A few typical comments:

   a. Long-Term Goals

      "... establish our objectives for, say, the next five years covering such diverse areas as Corporate image, market penetration, product quality, consumerism, and employee relations."

      "... to develop the kind of organization this company will need to have to capably handle the changes in the nature of the business we expect in the next five years."

      "Should we be looking at our business as two distinct activities ... one being the manufacture and wholesaling of vehicles, and the other being component manufacture for ourselves and other O.E.M.'s and the replacement market? Should we confine our interests to automotive components or diversify?"

      "We must ... organize for changes, because change is the one element in the business that will continue."
b. Strategies

"How should we organize to study the various possibilities on a continuing basis?"

"... develop team sessions to study segments of the environment--economic, political, market opportunities and consumer desire ... and develop from the studies a plan to work towards our goals ... using the 'clean sheet of paper' approach."

"... appointment of task forces."

"Development of an organizational approach for solving these problems as in the normal course of business."

2. Process of the Meeting--The commonly expected process of the meeting includes analysis of present and anticipated future problems and trends, includes understanding inter-departmental issues from a total company perspective, the pooling of available information and some self-examination. As a result of this process, then, arriving at decisions as to goals and strategy.

Comment sample:

"Leading up to this, of course, there must be some appreciation of the changes we do expect in terms of corporate structure, political and union influences and social changes."

"As a management team we need to look at ourselves in a most critical and searching manner."

"A better understanding ... of other departments."

3. Atmosphere or Climate--There can be no mistaking your expectations here. You repeatedly and clearly called for a meeting characterized by teamwork, frank, open, candid discussion carried out in a spirit of helpfulness, and the avoidance of undue individual departmental self-interest.

Comment sample:

"Discussions undertaken with frankness ... essential that each participant approach the subject in a spirit of full cooperation."
"Devoid . . . of overemphasis on departmental objectives or issues."

". . . absolute need to conduct the meeting in a manner which will facilitate open and frank discussion."

". . . an atmosphere in which uninhibited proposals and individual initiatives are encouraged."

Based on these sorts of expectations, a program has been designed along the following lines:

Thursday, May 8--On the train on the way up to Albury (see attachment for timetable), in addition to dinner, we will engage in activities designed to begin building the atmosphere that you have said will be necessary. This will include an exercise in listening (a requisite for productive open discussion) and some group examination of the characteristics necessary to building an effective team. This should be concluded on the train, and we don't anticipate a work session that evening at the motel.

Friday, May 9--The main thrust of the Friday session will involve engaging in a process sometimes called "Open Systems Planning" in which we will analyze the present state of the GMH system by looking both outside of the organization into its wider environment and looking inward at the internal state of the organization. Based on this analysis and projection of trends plus some general analysis of healthy and unhealthy systems, we will try to arrive at a statement of what a desirable future would look like. In the latter part of the day, including the evening, we will again look at top management as a team and its role, individually and collectively, in moving toward this more desirable future.

Saturday, May 10--The main purpose of Saturday (and Sunday as well) will be planning strategy to move in the direction of the goals you will have determined by that time. After beginning with a learning exercise that deals with the issues involved in planning for others, I will attempt to describe a few illustrative models of long-range strategy approaches and discuss
some basic principles of sound strategy planning. Following this, just before lunch time, the group will hold a planning meeting to decide how best to approach the task of developing your own strategy, including how best to allocate the remaining meeting time. (I might insert here that I see the role of the Training Manager and myself from Thursday night through to this meeting Saturday noon, as including being moderators, meeting facilitators and, on occasion, teachers. By noon Saturday, we will have concluded any major input we intended to bring to the session. From that point on, the expectation is that the group will move on to make whatever strategy decisions you deem desirable, with our role becoming a much less active one of being available for consultation when and as the group feels we might be helpful.)

Saturday afternoon is set aside as free time for R and R.

Saturday evening is designated as a work session devoted to strategy planning and decision-making as has the time after breakfast on the Sunday train trip home. It will be up to the group to decide how to best use these times. We will plan, however, a short summary and evaluation session for about the last half to three quarters of an hour on the train Sunday.

The above agenda has been worked out to facilitate the meeting of your stated expectations as far as possible within the allotted time frame. However, I think it is important to view this meeting as a critical beginning of a process of moving toward your stated expectations rather than the beginning and end. So while I hope we can make important and substantial progress, I believe it will only lead to frustration to expect one meeting, even of this intensive nature, to clean up all the issues.

I hope this letter has clarified to some extent what sort of program you will be involved in. What the Training Manager and I would like to do is to have the opportunity, after you've had a chance to read this over, to visit with each of you individually for a maximum of an hour to answer other questions you might have and to discuss your expectations further.
We added a suggested meeting time and a number at which we would be reached to change it if necessary.

(It will be noted that, by this time, a Thursday evening session had been added to the original plans. A "conference car" had been arranged for, to be attached to a regular train traveling to the meeting location, a motel in Albury, a city in southern New South Wales. Thus, we would travel together on a 4-hour train trip to include dinner and some time to work. We also would have the 4 hours coming back on Sunday morning for breakfast and work.)

The follow-up individual meetings referred to in the letter were designed, as indicated, to clarify expectations further, but also to attempt to relieve any anxiety through answering their questions and to reemphasize the need for openness, thus raising the level of consciousness about this not so familiar norm. We gave them, at that time, which was during the week immediately preceding the conference, a copy of all expectations that had been sent to us--anonymously, of course.

Two changes in plans occurred the day before the meeting, one relatively minor, one not so minor.

The first was news that the two most key people in the group, the M.D. and the Director of Manufacturing, were called on an emergency basis to meet on the Friday with one of the Government Cabinet Ministers in Canberra, the capital of Australia. We certainly could not proceed as scheduled
without them there. As it turned out, we rescheduled the R and R time from Saturday afternoon to Friday afternoon, started earlier Friday morning, and the two men scheduled a chartered plane to and from Canberra.

The second was the word passed on to us by the Personnel Director that the Training Manager would not be allowed to attend. This came as quite a blow. He had been involved with me every step of the way. He had high personal investment in being there. And he was programmed to be the internal specialist resource for the ongoing company effort. When we questioned the decision, we were told that at least one person in the group felt strongly that the presence of anyone from inside the organization but not of the group itself might possibly inhibit the desired candor. Both the Training Manager and I felt terrible about this turn of events. I felt my integrity was somewhat at stake and told the Training Manager I would ask for a meeting of the group and confront the issue, including taking the position that I would not go through with the meeting without him. He said no, and, indeed, said, "This may be the single most important meeting for this organization in ten years and I would not want anything to interfere with it." Therefore, I went ahead, although I did raise the issue later, as will be reported.

The meeting itself went about as summarized in the above letter with the exception of the rearranged R and R time. The group worked very enthusiastically and hard, long hours.
There were ups and downs and very difficult issues were surfaced that were not easy to deal with. The dominant running theme in their own discussions had to do with their own need to act more as a strategy group and less as operating department heads. I discussed two examples of strategies with them that I thought they might find relevant. One was an approach taken by a GM domestic division based on Zand's (1974) "collateral organization" technique. The GM division's use of it was called a "Parallel Business Strategy Planning Organization" and, as such, addressed their felt need for improved strategy planning. The second strategy example I used was more relevant to their acute industrial relations problems. It was a summary of the approach taken by Shell U.K., as reported by Hill (1971). After these discussions of specific strategies, I handed out and discussed the following strategy design checklist which I put together especially for this meeting. The reader will note that it follows the format of Watson (1969), as reported in Chapter II, and incorporates ideas of others also reported in that chapter. These are credited at the end of the handout. No attempt was made at this time to make this a complete and comprehensive checklist, but, rather, it was a matter of including those items I thought this group would find most relevant. Entitled "General Motors-Holden's Pty. Limited Checklist for Designing a Strategy," it read:
A. Who is Involved?

1. Do the top officials of the respective system feel the strategy is their own—not one devised and operated by outsiders?

2. Does the strategy clearly have the wholehearted support from the top officials of the respective system?

3. Does the strategy provide for working with the forces in the organization who are supportive of change and improvement rather than working against those who are defensive and resistant?

4. Does the strategy, wherever possible, involve relatively healthy parts of the organization which have the will and resources to improve?

5. Does the strategy involve individuals and groups which have as much freedom and discretion in managing their own operations as possible?

6. Does the strategy link together people who are trying to improve organization functioning so their activities reinforce and complement one another?

B. What Kind of Change?

7. Will people who need to participate see the change as reducing rather than increasing their present burdens?

8. Will participants feel their autonomy and security is not threatened?

9. Is the proposed change in accord with values and ideals held by the participants?

C. What Steps or Procedures are Used to Institute the Strategy?

10. Is there provision to create sufficient "awareness and understanding" through mass media approaches?

11. Is there provision for trial and adoption by opinion leaders?
12. Does the strategy provide for several layers of the organization to engage in fact finding, diagnostic efforts so they can agree on the basic problems and feel their importance?

13. Does the strategy provide for multiple "entry points"—that is, coming at the objective(s) from a number of different directions?

14. Does the strategy develop "critical mass" in each project—that is, sufficient investments of resources to move the system beyond its natural inertia (particularly critical in early stages)?

15. Does the strategy recognize that new approaches are likely to be misunderstood and misinterpreted and is provision therefore made to get feedback on how people see the project so clarification can take place as needed?

16. Is there provision to hear objections and take steps to remove those obstacles as they appear?

17. Is the strategy kept open to revision and reconsideration (are there choice points?) if experience indicates changes would be desirable?

18. Is there provision for trying out new solutions and ideas on a small (e.g., pilot) scale before an attempt to widen the scope?

19. Is there provision to measure the results of these small scale trials?

20. Does the strategy take advantage of opportunities where change is already occurring or soon contemplated—e.g., where a new technology or new organization structure is being introduced, or where a problem requires close collaboration across functional lines, or where the organization is expanding or contracting rapidly, or where there is a managerial change?

21. Is there provision to make known the efforts participants are making, particularly where there are successes to report?

22. Is there provision to reward and encourage people for the effort of changing and improving, in addition to rewarding them for short-term results?
23. Is there a way of obtaining **tangible intermediate results**?

24. Is there a realistic, long-term time perspective?

25. Does it avoid the following **Conditions of Failure**?

   --A gap between what top management says and what it does.

   --A big program of activities without any solid base of change goals.

   --Confusion of ends and means.

   --Overdependence on outside help or inside specialists.

   --Trying to fit a major change into an old structure.

   --A search for "cookbook" solutions.

April 1975

Note: The above was derived from the research, experience, and thinking of well-known authorities in the field of organization change. Items 1, 2, 7, 8, 9, 12, 15, 16, and 17 were developed by Goodwin Watson. Items 3, 4, 5, 6, 13, 14, 20, and 21 come from Roger Harrison. Items 10 and 11 come from Everett Rogers. Items 18 and 19 come from Lawrence Greiner. Items 22, 23, 24, and 25 come from Richard Beckhard.

As for results of the meeting, in addition to the catharsis that a process such as this can provide (of no little importance in this case), there were some concrete outcomes. Firstly, a broad statement of a "Preferred Future" was developed in terms of three categories: (1) their own "job" or role, (2) the GMH organization, and (3) the environment external to GMH. It follows:
Preferred Future: Our Job Content

1. Involved in strategy instead of operational activity.

2. Greater delegation of authority and control to permit more time on policy, direction, and forward planning in all aspects.

3. Greater contact with outside influences and sectors.

4. Give more consideration to those aspects of the business that will keep us in the business.

5. Be personally and actively involved in recruitment and development of department personnel.

6. Involved in development of own department goals based on mutually agreed company goals.

Preferred Future: Organizational Setting

1. Well-understood organizational structure with good staff-line relationships.

2. Well-defined departmental responsibilities.

3. Multi-level interdepartmental working relationships.

4. Given authority consistent with responsibility.

5. An effective approach to the management of our human resources.

Preferred Future: External Environment

1. An atmosphere where private enterprise can operate effectively.

2. A growth or "Larger Pie" atmosphere.

3. Recognizing external forces and effectively dealing with them.

Secondly, it was decided to form a task force of people from just below this top level to which certain tasks would be delegated. The selection process was for each department...
head to nominate a candidate from his function, but final
selection was to be made by the total Board by consensus.
Criteria were:

1. Are the nominees influential; particularly, are they influential with their respective department heads?

2. Are the nominees people who would support this sort of endeavor?

3. Are the nominees the sort of people interested in and capable of long-range thinking and planning in considerable depth?

Further, it was decided that this task force, as a group, would report its efforts to the Board as a group, thus minimizing functional control and emphasizing integrative solutions. Tasks for this new group were derived by the Board looking at the Preferred Future statement and dividing it into tasks they thought they should do themselves and tasks they thought could and should be delegated to a lower (though still high) level group. Because technically their own group could not be called "the Board" since some members were not full-fledged Directors, and since to call themselves the Department Heads would emphasize a role they were trying to minimize, they decided to call their own group the "Executive Council" and the newly created group the "Executive Task Force." Thus, the first list of tasks given below are those they reserved for themselves as an Executive Council; the second is a list of those tasks delegated to the Executive Task Force.
Executive Council

1. Guide the organization towards its objectives by setting policy, giving direction to operating groups, and to initiate forward planning in the fundamental aspects of the business.

2. Define those aspects of the business which require overall policy and direction.

3. Develop well-understood organizational structure with good staff line relationships.

4. Give authority consistent with responsibility.

5. Maximize H.R.M.

6. Encourage private enterprise in all areas and to identify and deal with external influences affecting the achievement of company objectives.

Executive Task Force

1. Have developed written statement as to departmental responsibilities.

2. Develop the process that would review major system changes and insure efficient implementation.

3. Analyze the purpose, charter, and composition of each Committee. Define responsibility and authority of each Committee Member.

4. Analyze and define staff line relationship in our organization including central office relationship.

5. Review and improve multi-level interdepartmental relationship to assist delegation of authority.

All of the above lists are in the participants' own words. "H.R.M." in item 5 of the Executive Council list refers to "Human Resources Management," a system developed by General Motors Corporation for the systematic selection, development, and promotion of qualified individuals in the company. This particular system was relatively new to GM
at that time and had not been formally implemented at all in GMH.

On the train trip back, at the conclusion of the 3 days, I raised the issue of the Training Manager—how both he and I felt when we learned he could not participate—and asked the question as to how much of what went on in the meeting I was free to communicate to him since it was my understanding that he would be carrying on in the overall effort. One of the participants volunteered that he had been the one who thought that this first time problems needed to be aired "within the group" but that from now on he saw no difficulty and that I should feel free to communicate everything that had occurred. The others agreed. Finally, I asked for a simple reaction evaluation in the form of anonymous responses to two questions (Burke, 1972). These participant evaluations are given in Figure 19, the number in parentheses over the scale indicating the number of people selecting that rating point. Comments added are also given.

Although these ratings express generally positive feelings, formally the decision was reached on the return train trip that they would communicate to the rest of the organization that they had had an effective meeting and would be continually evaluating OD as an approach. That is, they were satisfied so far, but clearly there was not as yet any firm long-range commitment. Nevertheless, I returned home to Melbourne on that Sunday, Mother's Day, happy that
1. To what extent do you believe anything will be different as a result of this meeting?

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<th>(1)</th>
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<th>(3)</th>
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<tr>
<td>No difference</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>To some extent</td>
<td>5</td>
<td>6</td>
<td>To a very great extent</td>
<td>7</td>
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One 6 rating indicated a 3-5 year time frame, another 6 said 2-3 years; a 5 rating said 3 years.

Other comments:

--In the long term if it is followed through.
--Hopefully attitudes to each other.

2. At this point in time, what is your degree of optimism/pessimism about the future of your organization?

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<tbody>
<tr>
<td>High pessimism</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Neither optimistic nor pessimistic</td>
<td>5</td>
<td>6</td>
<td>High optimism</td>
<td>7</td>
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One 4 rating commented, "I am nonetheless hopeful."

One 4 rating said 2-3 years.

One 6 commented, "This optimism was not greatly affected by the session. I guess it is my faith in GM and its world-wide future. This session could make it happen easier."

Figure 19. Participant Ratings of Top Management Three-Day Meeting.
some significant first steps had been taken.

A week later, my family and I were off for a week's holiday to Sydney and the Gold Coast of Queensland. Entry had been made with reasonable success, I thought, and 2 weeks later was to be the first meeting of the newly formed Executive Task Force.
CHAPTER VII

ENTRY: STAGE II

Executive Task Force

The actual existence of a Task Force was a result of my suggestion to the Council. Strategically I wanted, as indicated in Chapter V, a network of supportive opinion leaders for purposes of critical mass and diffusion. When the Council was deliberating on means to move forward toward their Preferred Future, it seemed to me that such a Task Force would help serve both the Council's felt needs and mine. It would, I thought, bring opinion leaders together for a non-threatening purpose in the sense that they would be working on important organizational tasks, not being sold an OD program. I hoped, however, that as they worked together in "an OD fashion" on these tasks and learned the value of OD approaches, they would take, individually and collectively, some ownership in the OD effort in GMH in general and perhaps encourage further trials throughout the system.

If the Council had not seen the Task Force idea similarly as a means to their ends, however, it would not have come into existence, of course. The charter of the Task Force (their list of tasks as outlined in the previous chapter), the notion of a group reporting to a group, and the

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allocation of time—an initial full work week (5 days) of training followed by up to 20 percent of their time thereafter—to Task Force members (critical men in the organization) for Task Force work were decisions made by the Council and are indicative of their level of support of the idea. Most indicative of all, however, was selection.

Actual selection came a week after the return from Albury in a special meeting of the Executive Council for that purpose. I was away on vacation and not in the meeting, but I was extremely interested in the results. To say it is important to choose influential, capable, and supportive people is one matter; to do it when it means releasing one of your key subordinates for up to 20 percent of his time is quite another. I was convinced that good selection was the key to the success and credibility of both the Task Force and this first concrete act of top management to be judged by the rest of the organization. I referred to the lists of key people I had been keeping and made my preferred selections—keeping them to myself and a couple of trusted colleagues, who also shared their preferred lists, much as we might pick our favorites in a horse race. In the end, I was extremely satisfied by the selections. I was told by Council members that they worked very hard at the process, including some relatively uncomfortable confrontations in an instance or two. The process was for each Director to place the name of one of his subordinates in nomination and then
for the whole Council to discuss the nominee and reach genuine consensus relative to his inclusion. In most cases, I was told, the nominees were accepted enthusiastically. In two cases, however, Directors apparently tried to get by with nominees who were "easy to spare," men who were close to retirement and already on "special assignment." Normally among this group of individuals who zealously guarded their respective "turf," such behavior would have been allowed to pass. But this was their first opportunity to test themselves against some new norms that had begun to be built at the Albury meeting and they confronted the issue. As it turned out, both Directors involved were somewhat surprised at the conviction evidenced by their peers, both in the high quality of nominees put forward and by the challenge to their own nominations. Once realizing that the Council as a whole, with strong leadership from a generally not aggressive Managing Director, meant business, each of the two switched to very acceptable nominees and seemed to do so, I was told, with renewed commitment themselves.

The resulting Task Force, then, was made up of influential, capable, and supportive people from high levels of each of the major functions of the organization. Manufacturing ended up with two representatives, one from Melbourne, and one from South Australia, since it was believed important to represent both of these very large installations. Financial also had two because that department consisted of two
distinct functions: (1) accounting and general finance; and (2) Management Services, a data-processing systems group that serviced all other functions. Thus the Task Force was selected and the Training Manager and I prepared for their first get-together, a 5-day training program.

Our goals for that training were (1) to facilitate a psychological contract between the Task Force and the Council as to the charter of the Task Force and the parameters within which it was to work and (2) build a Task Force team capable of performing their charter. To accomplish these goals, we believed they needed to understand their role, functions, and tasks; to "become a group"; to understand some principles of strategy; to understand a systems approach to organization analysis and design; and to understand OD. We designed 5 days toward these ends.

Half of the first morning was spent with the entire Executive Council present. The Managing Director opened with a review of the Council's experience at Albury, their statement of a Preferred Future, and their decision to appoint a Task Force. He presented them their charter and explained the rationale for it. The group was then split so that two Task Force members could interact with two Council Members (though not their own department heads) regarding the charter and its parameters. This was done on an informal question and discussion basis. Finally, representatives from the Task Force were seated in the middle of
the room to feed back what their understanding now was. Council members then clarified any final points, though there seemed to be a consensus of understanding by then. The Council then left and the Task Force went to work.

We used experience-based learning exercises then for approximately the next 2 days to help the group understand OD, develop a team, and develop their own operating guidelines with respect to their role. After each exercise, for example, we would ask them to discuss and list implications of that exercise for the role of the Task Force.

The third day focused on an introduction to open systems planning, including a scan of the present internal and external environments of the GMH system and a projection of both a realistic and idealistic future.

Day 4 focused on departments, each participant providing an overview of his department's responsibilities. Differentiation/Integration theory (Lawrence & Lorsch, 1969) was introduced in this context.

The last day, I outlined a "blank sheet" or systems approach they might take to work on their charter, and then they spent the rest of the day in planning general strategy and next steps.

At the end of that day, the Council returned to hear a report on the week and to review Task Force plans. This was intended as a continuation of the contracting process. The following minutes, written by a member of the Executive
Council, and the accompanying "Statement of Direction" (based on the open systems planning exercise) and "Achievement Strategy" summarize the results of the 5 days:

**Report on Meeting of Executive Council & Executive Task Force on June 3, 1975**

**Business**

The first part of the meeting covered the impressions of various members of the Task Force on the analyses and exercises they had carried out, some of which were similar to those carried out by the Council during the Albury visit. There was complete unanimity on the benefits from this work and the Task Force considered executive groups in all plants should undergo this work.

The second and greater part of the evening was taken up in a presentation by the Task Force of their Statement of Direction and Achievement Strategy, copies of which are attached.

Members of the Executive Council sought clarification of certain points and then unanimously endorsed the Statement of Direction and Achievement Strategy.

**Statement of Direction**

The Task Force has given due consideration to the changing environment both within and without GMH.

It has reached a broad consensus about the goals and philosophies that would be appropriate in order effectively to respond to these changes.

The preferences expressed obviously imply real dissatisfaction with many aspects of our present situation.

We acknowledge that there are no easy solutions.

Nevertheless we are convinced that GMH must now make a determined effort to preserve or recover its traditional position of "leadership" in all areas of its operations.

The following illustrates what is meant by "leadership" and what we believe is necessary to achieve it:
1. Products: The Company must have--

   a. The ability to adapt in order to provide the products the market really wants, when it wants them.

   b. Accuracy and insight in market forecasting.

   c. A deserved reputation for product quality, reliability, safety, value for money.

   d. A deserved reputation for product innovation.

   e. A deserved reputation for fair dealing, good customer service.

   f. An open mind about opportunities for diversification—even outside the transport business.

   g. Maximum use of entire product resources of the corporation.

2. Management:

   a. Management must not only be responsive but exhibit initiative to change and not be resistant to it.

   b. The organization should be such as to foster people capable of top jobs throughout GM.

   c. A greater degree of multilevel interdepartmental cooperation and understanding is needed.

   d. The decisions must be made in time and must involve all levels of the organization, with greater delegation of authority consistent with responsibility while retaining the principle of accountability.

   e. It should be characteristic of our management style and approach to make optimum use of all available resources, and ensure that those resources are the best available.

3. Employees:

   a. A regeneration of employee pride in the company, its policies and products.
b. A greater awareness of employee needs and wants and a more flexible response to them.

c. Improved communication between company and employees.

d. GMH must provide a total work environment which will enable it to attract and retain talent.

This includes amenities, money, a merit system which rewards performance.

GMH should have a high reputation for these qualities.

4. Relations with Outside World:

a. More constructive relationships with government and community organizations are necessary.

b. Greater real involvement by the company with the community is needed.

c. The company must be less reticent about communication with the community, in particular through the news media.

Achievement Strategy

Having established the philosophy and goals, the initial steps toward a detailed approach to achievement of these ends are as follows:

. Overall scan of company operations to determine

Input - Throughput - Output

Continued review of:

- Total function

- Preferred organization
  - in the light of task, time, structure, and relationships

- Definition of sources of input
  - drawing on all available resources
. Determine priorities for action with reference to task force charter

. Apply appropriate techniques to evaluate possible action plans
e.g., trial or pilot applications

. Define timing needs and methods of providing feedback
   - Initial brief coverage within departments
   - More detailed interdepartmental presentation at later date
   - Progressive feedback to be arranged in parallel with development of analysis

The meeting of the two groups outlined above concluded with a dinner and a very euphoric mood held sway. Two very senior groups of the organization had come together, now sharing some common growth experiences and a diagnosis that led to very similar conclusions as demonstrated by one group's statement of a "Preferred Future" and the other's "Statement of Direction." Some common sense of direction had thus been developed at the top and some early steps under way for movement in that direction.

Over the very next few days, Task Force members presented their Statement and Strategy to other members of their respective departments and sought feedback and suggestions. Thus, other people and other levels became involved. At the next Task Force meeting, the feedback and suggestions were reviewed. Task Force members reported basic agreement of their departments with the Statement of
Direction. They said there were some "queries" as to whether "we were really deficient in all those areas" but that there was "strong positive agreement in some areas."

Based on the feedback, the Task Force concluded that:

1. Groups of informed and trained people were needed to assist development of the strategy.
2. OD training needed to be extended.
3. Priorities were needed so as to effectively marshal resources.
4. More detail was needed in the overall plan.
5. The need had been reinforced for a "blank sheet" approach.
6. Organization Development needs to be seen to be working.
7. Pursuant to 6, there was a necessity for tactical development of concrete efforts—"small winners."

As a result, the general strategy of the Task Force was modified. They would continue, on the one hand, to pursue a "blank sheet," thoroughgoing analysis and design approach themselves. On the other hand, they would determine some specific tasks for "action research" in which they would involve others in the organization. They had been granted this power to "co-opt" others for specific purposes by the Council. They then brainstormed 30 ideas for small-scale action research projects and chose 5: (1) job redesign effort in a section of Engineering, (2) development of a "communications package" for employees, (3) a survey-feedback-action planning project in a section of finance, (4)
establishment of a "dealership" for GMH employees to ease their product discount purchases, and (5) an analysis of the warranty return system. It was intended that one Task Force member would get each of the above activities initiated by involving non-Task Force members of the organization and letting them "run with the ball." With the beginning of these "small-scale trials" (Greiner, 1967), the Task Force launched what they termed their "Two-Pronged Strategy" of basic analysis work coupled with action research. This strategy was reported to and approved by the Executive Council.

Thus was another major building block of the entry strategy for the overall GMH effort in place. At about this same time (June), I was officially asked by GMH, with the approval of GMOO and my home office, to stay on until the end of the year (1975). I was happy to say yes. In fact, I was beginning to think we were about ready for the Elizabeth Vehicle Assembly Plant Project.

Elizabeth

In addition to the foregoing developments that led me to feel some degree of readiness for launching the Elizabeth effort, some other critical pieces were falling into place in regard to key support people.

First, there were significant developments in regard to internal staffing of the OD function. When I was asked
to stay on longer, I requested that both of the GMD Fellows then in the U.S. be placed in OD upon their return in August. One of them was already working in my home Organizational Research and Development Department at GM central office, and it had always been assumed that he would return to an OD position. The other, however, had his Fellowship assignment in Management Training and Development and had been scheduled to return into the GMH training activity. I knew him to be a most capable young man with a genuine long-range professional interest in OD. I also was quite sure, the way the OD effort was moving, that having them both full time would still leave the resources stretched. The request for the full-time services of both of them beginning in August was granted. Moreover, the Personnel Director (who was to retire at the end of July) and his assistant and successor decided that the OD activity should be structurally separated from the Training section per se. Therefore, the Training Manager, with whom I had been teaming up to then, would be disengaging himself from OD activities more and more and concentrating on Training.

A second critical support factor was the entry of the new man from the U.S. who would be Manager of all four GMH assembly plants. I discussed earlier in Scouting (Chapter V) his experience and supportiveness with OD as a line manager in the States and my previous relationship with him. He was just getting settled in Australia in May and June.
It so happened that his office was located in Elizabeth, though he frequently came to Melbourne and we often talked during this period of time. In May he held his first meeting of all the assembly Plant Managers and the heads of two support functions, Industrial and Production Engineering, who reported to him. He scheduled it as a 2-day meeting and asked me to take all of the first morning to familiarize these men with OD. I did that and the Dandenong Plant Manager supported my presentation by proudly talking about his plant's experience with their "Problem Solving Meetings." This all clearly indicated to the other managers that their "new boss" was supportive of OD. After all, it was the very first part of the very first meeting he ever held with them. I was especially pleased for the Elizabeth Plant Manager to get this message.

This new man and I also talked one-on-one about Elizabeth on occasion. I waited until after he had a chance to gather his own information and impressions and then I shared my diagnosis (see Figure 18) with him. He said he thought it was both an accurate picture and a means of additional insight for him. We would then, from time to time, talk about action ideas.

The third key support came from the Director of Manufacturing, the potentially key resistant force in the whole system. By this time, of course, he had traveled with me to Elizabeth; he had seen the results at Dandenong and had
heard about that story directly from the Plant Manager, his personal choice; and he had participated in the Albury meeting and subsequent activities with the Executive Council. In none of these respects had he been resistant. Therefore, before I went to Elizabeth to attempt to initiate an active effort, I went to him and told him I had in mind starting at Elizabeth with an offsite intensive session with the top plant management group. I asked him if he would be willing to open such a session with either a telegram or a video tape of support. He startled me by exclaiming "No!" He then went on to say he thought it was too important for that. He wanted to go to South Australia and do it in person. I couldn't have been more pleased, of course.

I felt then that I could hesitate on Elizabeth no longer. It was, in my judgment, the only piece missing from the entry strategy.

I traveled to Elizabeth in June, the first time I had been there since the scouting expedition in March that led to the diagnostic model in Figure 18. Thus I had to renew some acquaintances. I spent most of one afternoon with the Plant Manager, getting myself updated and discussing with him the possibility of a 2- or 3-day offsite meeting with his senior people. Much of the discussion was around who should be included with him leaning toward greater and greater inclusion. It was obvious he was somewhat beleaguered by the rigid functional lines and felt difficulty in getting
cooperation across boundaries when staff activities didn't actually report to him. Further, there were some names on the list of key people he had alerted me to earlier (see Chapter V) that would not have been included if we had strictly followed an organization chart. Therefore, we created something called "The Elizabeth Assembly Business Team," an interfunctional group of 22 people representing about the top three levels of Production, Production Control, Personnel, Quality Control, Maintenance, Finance, Industrial Engineering, Equipment Engineering, and Production Engineering. He then "teed up" a meeting of all these men for the next morning.

At that meeting, I reviewed some of the OD progress in GMH, emphasizing the activities at the top with the Executive Council and Executive Task Force and using visuals showing the Council's "Preferred Future" and the Task Force's "Statement of Direction." I also briefly mentioned Dandenong--a "competitor" plant that they were well aware had made significant performance improvement--but I deliberately played that activity down. It had been my experience that plants on the bottom did not appreciate it when the success of plants at the top was flaunted before them and such flaunting was not usually an effective diffusion approach. Mainly, I wanted them to know that top management of the company was supportive and involved in the effort and the two formal statements also gave explicit recognition from the top to
some issues I knew were of concern to the men in the room. I also was quite frank with the group about the fact that from my first day in Australia I had been pushed to work at their plant. This was no surprise to them. Finally, I proposed a 3-day offsite meeting, explaining it would be a combination familiarization, diagnostic, and strategy-building session. They readily agreed. It was set up for a Friday, Saturday, and Sunday in July.

The Thursday before we were to begin, the Director of Manufacturing flew with me to South Australia to meet with this same group to offer his encouragement and support. On the way, I discussed with him my feelings that much of the energy for the early stages of the effort at Elizabeth would have to come from sources outside of the plant, since those inside were full of the frustration of having unsuccessfully beaten their heads against the wall for years. This energy I saw residing in people like himself, myself, and the new Manager of all assembly plants. He agreed, as he did with my subsequent request, consistent with this judgment relative to energy, that he return for a progress review in September, about the time I thought they might need another shot of adrenalin.

At the plant he gave a marvelously sensitive "pep talk." He demonstrated empathy and understanding for the situation they found themselves in and emphasized some of the things they had done well. This was not done, however, in a
rose-colored glasses fashion. He used facts and hard data. In fact, he was very well prepared with visuals full of performance data that clearly showed Elizabeth was not doing well overall and had not been for some time; however, he didn't punish them with those figures but encouraged them to learn and analyze and begin "to manage the business again." It was obvious—to me, but more importantly, to the group—that he had taken his role of starting things off seriously and had come well prepared. All in all, it was a masterful job and was received as such by the group.

The next morning we all assembled at a motel in Adelaide. There we began with another "kick-off" talk from their "new boss," the new Manager of Assembly Plants. He encouraged them to "be bold, be innovative, take risks"—a phrase that stuck and, I am told, is still used at Elizabeth 2 years later.

The first day and evening was spent in learning exercises designed to familiarize the group with OD, to help them begin to examine themselves as a team, and generally to build a sense of community and norms of openness and cooperation. I began Day 2 by walking them through the diagnosis shown in Figure 18. In the previous instances cited in this case (e.g., Dandenong and the Executive Council at the Albury meeting), the diagnosis was actually performed by the client system itself with my playing a process role. In this instance, I believed I must take a more "expert" role
in regard to both diagnosis and action planning, since, again, these men had been wrestling with alligators so long it was difficult for them to even see the swamp, let alone drain it.

Therefore, I explained the origins of the diagnosis and how it evolved, including as I went through it step by step, comments I had heard from them in my previous interviews that led to the conclusions in the diagnosis. This helped make it more of a "joint process" in that it represented my ordering of their data. As I went through it, I asked them not to be concerned too much at that time with whether they agreed or disagreed, but rather to focus on understanding the model. I entertained questions for clarification as I went. When I had concluded and all questions appeared to be answered, I then asked them to deliberately try to find fault with the diagnosis. They were divided into four small groups with instructions to disagree with, add to, or modify the model. When they returned, they reported unanimous agreement that it not only depicted their situation but that it helped them understand better where they were. Their additions were almost all documentation of the model. A significant testimony to their ownership came later that day when I made reference to "my diagnosis" and one of the men scolded me, saying, "I wish you'd quit saying that, mate. That's our diagnosis." That made me feel a lot more confident that I wasn't simply "laying something on them."
We moved then to the development of a sense of future direction. To summarize the way they wanted to go philosophically, one member put it this way:

Let us resurrect two great Australian characteristics: "Mateship" and "Fair Dinkum." They may sound corny in this rather cynical world today, but I make no apologies. They still have a lot going for them.

"Mateship," that old idealism of helping out regardless. Remember the early days of the Holden when we were all pitching in, proud to be associated with the achievement of building the first all Australian car? With success we grew too big, too competitive between departments. We forgot our neighbor in the paint shop, in the trim shop, etc.

Let's get "Fair Dinkum" again, get back our integrity, regain our trust, be fair and honest with ourselves, our associates and our workforce.

To begin to bridge the gap from the situation represented by the diagnosis to concrete action steps for moving toward a future as described above coupled with increased business success, I presented a simplified version of the Likert (1961) model that I had previously found useful with plant managements. It is represented in Figure 20 below.

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Employees' Perceptions of Management Behavior → Employee Attitudes → Results
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Figure 20. Simplified Version of Likert (1961) Model.

The explanation was that there is great risk in trying, as is so often the case, to manage at the results end of this model. They are, indeed, results and as such we are always managing "after the fact." This model suggests that what
"Results" are a result of is the attitude of employees. Neither, I said, can attitudes be managed by management; rather, only the employees themselves can manage their own attitudes. In this model, the only thing that can be controlled by management is management's behavior.

I am aware that there can be some legitimate quarrel with this model in strict scientific terms, but, as I said, it had proven useful in the past and I thought it very relevant to the Elizabeth situation. Moreover, I had also given them a copy of an article by Dowling (1975), which goes into the Likert model more thoroughly. I also explained the notion of time lag as it applied to the three variables in the model.

This theory was then linked to the diagnosis by looking back at the box in Figure 18 labeled "Mood of Local Management." If it were true, as they testified it was, that local management at all levels was characterized by such low morale, pressured behavior, finger pointing, and expedient solutions, how must their behavior be perceived by employees and what would be the affect on employee attitudes and consequent results?

This flow of logic led then to my recommendation that their action strategy begin by focusing on "raising the mood of local management" and not business results such as schedule performance or interventions at the hourly employee level. Only, I said, after management had learned they could
do something right, had some renewed sense of security, felt some support and a general sense of rejuvenation would the ground be prepared for experimentation at the wages or hourly level and only then could consistent improvement in business performance be expected. I suggested a basic strategy of "starting a lot of little fires" (Shepard, 1975), that is, to begin a number of small-scale trials, particularly in areas and with problems where it was felt they had a good chance of success. Thus, it would be hoped that a "success momentum" could be built.

To manage this action research strategy, I suggested they develop an internal resource group that could be a continuing learning community as well as an instrument for sponsorship of the mini-projects or experiments. It was here that I experienced some irony. As action planning was under way, I sensed that there was some "behind-the-scenes maneuvering" going on. Eventually, someone proposed a "Steering Committee" consisting of 11 people selected from the Business Team who would meet weekly to manage the strategy. There was one representative per function plus one from each production department (four). The person proposing this actually put forward a list of nominees that he said "a group of us thought would make a good steering committee." The proposal was accepted. It turned out that there had been some lobbying going on outside the room. The ironic part of it was that the list of names had remarkable
overlap with the lists furnished me independently back in March by both the Plant Manager and South Australia Personnel Manager (as reported in Chapter V). They were also people whom I would have listed, now that I had met and observed them, as being influential, supportive, ready, and capable. By some mysterious political process, a consensus had emerged.

The remainder of the session was spent deciding on specific actions. Consequently, many "pieces" of a strategy were decided upon, but they delegated to the Steering Committee the job of integrating these pieces into a logical flow of events. This was to be done a week later at the first meeting of the Steering Committee.

Finally, the Assembly Plants Manager returned at the end of the session to hear them report on their progress and plans and to offer his continuing encouragement and support.

The next week, I attended the first meeting of the Steering Committee. As we were chatting before the meeting got under way, I was told that "things are already beginning to happen." It was only 1 week, but they reported a number of anecdotes to me as evidence of increased cooperation and commitment. I suggested that they should be documenting those occurrences, that they were part of the "action research strategy," and that it was important for the momentum of the strategy as well as feedback for learning that they document both successes and failures. A member of the
group responded that a system for similarly documenting industrial relations incidents already existed in the form of "Industrial Relations File Notes." Since they had experienced so much "industrial" turmoil over the years, they had developed at all levels of management that habit of jotting down a paragraph or so every time an incident occurred that might some time flare up into an "industrial" problem. These were collected into notebooks of "I.R. File Notes." He suggested the system be adapted for use in documenting OD incidents. Thus was born an "OD File Note" system, an approach to the critical incident technique of assessment of such efforts. Some of these will be reported later.

The primary agenda item for this Steering Committee meeting, however, was the integration of specific action plans developed at the "Park Royal Seminar" (the label given to the 3-day meeting at the motel) into a logical strategy. This was done and a flow chart developed to depict the strategy. This in turn was taken to the entire Business Team for their review and sanction. The strategy as approved appears in Figure 21.

Without getting into the detail of Figure 21, I would point out that the strategy was generally divided into two phases. The goals of Phase I, to begin immediately, were to (1) create and foster a climate for change; (2) raise the mood of local management; and (3) prepare, or lay the groundwork, for Phase II. Conspicuously absent from this
Figure 21. Elizabeth Assembly Division Organizational Development Strategy.
list of goals was any mention of business performance results. They are listed, however, for Phase II goals. As shown, this second phase was not to begin for some months and was to be aimed at (1) further developing a climate for change with a focus on management-employee (hourly) relations; (2) improving efficiency, quality, and schedule output; and (3) achieving a cooperative atmosphere among all employees to improve the quality of work life. Action details for this second phase were to be left for later development.

Considerable detail was developed for Phase I, however. The stream of activities at the top were designed to "demonstrate a positive future" to counteract the aftereffects of the earlier debacle when there was an attempt to close the plant: thus, such actions as establishing stepped-up preventative maintenance projects, getting action on some Manufacturing Change Requests (M.C.R.'s) that would show some financial investment in the plant as well as make for technical improvements. All of the GMH assembly engineering function was being transferred to Elizabeth, and they wanted that made visible so that it would be seen that "people are moving in instead of moving out."

At the bottom of Figure 21 is shown a stream of activities involving organization changes such as getting maintenance structurally assigned to the Plant Manager as it was in other assembly plants. This was also true for quality

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control.

The "mainstream," however, was in the middle. It included the formation of the Steering Committee, 2-day OD familiarization seminars to be conducted with all management employees and salaried staff, and the initiation of a survey-feedback-action planning process. "Mini-projects" (as shown in number 16 in Figure 21) in quality, paint, line down-time, body damage, and mechanical build were the beginnings of the "little fires" of the action research approach.

Finally, it will be seen that as the planned time of Phase II approached activities were to begin that would prepare the organization for the involvement of hourly employees and the unions.

Thus was the Elizabeth strategy built. There will, of course, be discussion of the progress of this strategy in the summaries of the later stages of the overall GMH effort. Once this Elizabeth plan was developed, however, I felt all the pieces of the entry strategy were in place. It is time, then, for a summing-up of the state of the effort at the end of the first 6 months, or Time 2.

Time 2: Six Months

Six months were up--the time originally allotted to my assignment and the time frame within which I had been working to initiate a process of change in this large organization. Even though my time had now been extended, it was against the
6-month deadline that we had been working up until nearly the end of that time. What had been accomplished during that initiation or launch phase of the effort?

A number of critical events had occurred, of course. These major elements in the entry strategy are shown in their time frame in Figure 22. However, in reflecting at the time on where we had come, I went back to the "goals for a 6-month job" (see pp. 139-140) I had developed in March for presentation to the GMOO Director of Personnel.

1. To develop top management understanding and support as a minimum and attain their guidance and direction setting for the effort as an optimum.

Certainly, the efforts with the Executive Council and Executive Task Force had contributed toward this goal. There was considerably greater understanding at high levels of the organization than evidenced in the puzzled looks and questions I received from so many quarters during the early scouting days. Further, I was no longer hearing the simplistic explanations I had heard earlier regarding, for example, OD as job enrichment, or human relations. Above all, perhaps, there was no longer any issue at top management that OD was going to be another MBO exercise. Support had been shown in behavior such as the creation of the Task Force and the great encouragement given the launching of the Elizabeth effort. There was, of course, the reservation put on support in the statement that came on the train ride back from Albury when it was concluded that "we will continue to
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Figure 22. Major Elements in Entry Strategy.
evaluate OD." The support, then, helpful as it was, was still considered provisional. Concrete evidence of guidance and direction setting from the top could be found in the two formal statements: the Council's Preferred Future and the Task Force's Statement of Direction. Other examples were more informal and evidenced in day-to-day behavior.

2. To build on what already exists--i.e., to develop a network among those already managing consistently with OD principles so they could share with, learn from, and support one another.

"Building on what already exists" began with the Dan-denong intervention which really simply caught a wave and rode it, although hopefully adding to the momentum and force of the wave in the process. Both the Executive Task Force and the Elizabeth Steering Committee represented attempts to link supportive and influential forces into networks for mutual learning, support, and diffusion. Movement in the direction of diffusion was already occurring through sponsorship by the Task Force of small-scale action research projects. The Elizabeth Steering Committee was serving a similar function in their plant strategy.

3. To build internal OD specialist resource capability.

This had been a difficult goal because the situation had been unstable. My initial assumption had been that the Training Manager was to be the central internal OD resource along with the one GMOO Fellow working in that field in the U.S. There wasn't much I could do about the man in the U.S.
except send him letters keeping him up to date, which I did, and, by letter also, encouraging my colleagues back home in Detroit to help him all they could. With respect to the Training Manager, however, we did spend a great deal of time together in the early months and tried to work as a team on most matters. There was a great deal of sharing between us during that time and, I would say, a mutual learning experience. Primarily, I was learning from him about the organization and its Australian environment and he was learning from me about OD, although, for that matter, he was fairly knowledgeable about OD before I arrived on the scene. As time went on, however, it was increasingly apparent that his superiors were not as committed to that course as we had thought and he was increasingly pressured to concentrate on training activities and being pulled away from spending time with me on OD activities. This culminated when I went to see both the retiring Personnel Director--to whom the Training Manager reported--and his designated replacement and inquired as to whether or not the Training Manager was indeed to represent the continuity for the internal OD effort. This query seemed to be greeted with some surprise as though they thought it had already been made clear that such was not to be the case. When I said that it wasn't thus clear either to me or the Training Manager, the Personnel Director convened a formal meeting at which it was made clear and, in fact, I was asked to create a formal description of the OD
function and the Training Manager was asked to do the same for the Training function. The difference was then institutionalized.

All I could do on goal 3, then, was to request the services of both GMOO Fellows as I have already reported, and keep them up to date through the mails until their return to Australia in August. In addition, however, I was working on getting one full-time internal OD coordinator appointed at Elizabeth since I thought that rather massive effort could use someone there on the scene all the time.

4. To help the organization make appropriate plans for institutionalization of the OD effort.

All of the above discussion of internal OD resources is applicable here as well. Much of the institutionalization would rest with the internal resources who would remain after my withdrawal. Moreover, there were formal mechanisms in effect to aid with institutionalization such as the Executive Council, the Executive Task Force, and the Elizabeth Steering Committee. The latter two met on a regularly programmed basis while the Council was holding frequent meetings, though timed "as necessary." Finally, it was my feeling that institutionalization would be aided by diffusion, and mechanisms such as the Task Force and Elizabeth Steering Committee were formed with that purpose in mind as well.

Institutionalization was far from complete, of course, as one would expect in only 6 months. My goal had been to
"help the organization make plans" in this regard. The extension of my time was most helpful in this matter. I frankly would not have been confident that the mechanisms that had been started would have been maintained had I left at that point. Internal maintenance and renewal was a goal yet to be accomplished.

Chapter VIII will dwell further on diffusion and institutionalization as it summarizes the state of the effort at Time 3 (1 year after my assignment began) and Time 4 (2-1/2 years after my assignment began).
CHAPTER VIII

DIFFUSION AND INSTITUTIONALIZATION

Introduction

Using constructs from the field of adoption and diffusion of innovation, we might say that by the end of Time 2 we were at the "trial stage." We now, in that framework, needed to move toward adoption and diffusion. In attempting to bring about large-scale change in the large social system labeled GMH, however, I find it more useful to think of "adoption" as "institutionalization" and "diffusion" as actually part of that institutionalization process. The reasoning for this latter position is that the change process (OD) would become, it was felt, more a part of the "institution" and more difficult to dislodge, the more widespread it was throughout the system. This diffusion and institutionalization process will be described in this chapter.

Summaries of the effort will be provided for two points in time—Time 3: One Year; and Time 4: Two and One-Half Years. The format for each time period will be to begin with a progress review of the four building blocks of the entry strategy (Dandenong, Executive Council, Executive Task Force, Elizabeth) and specifically to discuss progress or lack of progress regarding diffusion and institutionalization.
Time 3: One Year

Dandenong

This assembly plant, the site of the first intervention, continued to lead all assembly plants in performance measures such as volume, efficiency, cost, and quality. The enthusiasm at all levels appeared, in my informal observation, only to keep increasing. My role became an increasingly inactive one. They had made weekly "problem-solving meetings" a way of life and had, as a matter of natural evolution and without program or fanfare, begun involving hourly employees in those meetings. To some extent, a close was brought to the formal or programmatic aspect of the intervention when, in September, a "supervisors' room" was christened. The proposal for a combination locker room/recreation room for supervisors had been made to top plant management back in the original problem-solving meeting in April. It became something of a symbolic test of management's sincerity in the overall effort. If that room got built, management would be considered "fair dinkum"; if it did not, then "they didn't really mean it."

I was invited, along with the Director of Manufacturing and the Plant Manager, to throw one of the first three darts at the dartboard in the christening ceremony.

There was rich potential for more innovation in this plant, of course, but the management was well aware of this and moving on its own. There were more urgent calls on my
time and my role at Dandenong became one of increasingly infrequent visitor, stopping in once in a while either to encourage them in their efforts or to find encouragement for me in mine.

Executive Council

Although key individuals in this all-important group continued to be most supportive of efforts elsewhere in the organization, there was, from July to December, some marked diminution of energy from the group as a whole toward its self-appointed tasks. Although there was much competition for their time and attention, I frankly believe the fault was largely mine. The first task they set out on—a decision which I influenced—was the development of a comprehensive statement of objectives. A drafting committee was formed and rather promptly framed a draft statement. This was pain­fully examined over the course of five meetings in 4 months, and closure was never realized. Further, the group's invest­ment in the statement went down and, to some extent, this in turn caused, I believe, some feeling in the group that they were letting each other down with regard to the psycho­logical compact they had developed with each other in the Albury meeting. I believe there were several reasons. To begin with, it may simply have been the wrong task. After all, they already had their statement of a "Preferred Future" and this may have met the need for the moment. Moreover,
the focus of their energy had been on changing their role from operating department heads to members of a strategy planning body. It may have been much more productive to go with this energy and make use of role clarification/role negotiation interventions. Actually, I was probably "blinded" to this option by two factors: (1) I had conceptually "locked in" on the neat rational logic of starting with objectives, and (2) I was not well versed in role interventions at that time. Thus there were blinders of both bias and lack of sufficient repertoire. Finally, I allowed my attention to be pulled away from this group by the many other demands of a burgeoning OD activity.

However, the Council did continue in some other very positive ways. I have already alluded to the support of key members of the OD effort in other parts of the organization. They also, as a group, continued to support the work of the Executive Task Force in concrete ways. For one, they acted positively on the first formal proposal brought to them by the Task Force. (This proposal will be discussed in the "Task Force" section.) In addition, they continued to guard selection to the Task Force carefully. When one of the original members of the Task Force was promoted and geographically transferred and another left the company, they faced a test of the high standards and resolve that they held when making the original selections. However, in the first case a highly qualified replacement was named. In the second,
the responsible Department Head nominated a highly qualified
candidate, but requested that the nominee be allowed to
serve on the Task Force only part time, pleading that his
department was already so shorthanded that no one could be
spared for all of the Task Force meetings. This proposition
was refused by the Council as a violation of the integrity
of their commitment to the Task Force and the Department Head
was asked either to nominate someone as a full member or not
at all. He chose the latter course.

Further encouraging behavior took place regarding the
Council and its members taking a more proactive stance
regarding the external environment. Prior to Albury, they
had been guilty, by their own admission, of a closed system
reaction to most outside forces that I labeled "ain't it
awful." From that point on, they began visibly to take part
in more activities such as employer groups and government-
sponsored study commissions. An anecdote provided me with
personally satisfying evidence of the growing permeability
of organizational boundaries. I saw the Director of Manu-
ufacturing in the corridor one day and he said that he had
been with the Managing Director the day before when the M.D.
made his speech at the Australian Institute of Management
conference on "Understanding the Management of Change" in
Canberra. When I showed my surprise, he asked, "You mean
you didn't see it in the paper this morning? I thought it
would be right up your alley." I quickly found a copy of
The Australian (1975), a national newspaper, and saw this headline splashed across the top of page 3: "Quit Complaining, Firms Told." Below was the subhead: "Learn to live with Govt. intervention." The accompanying report of the speech by the GMH Managing Director, known publicly in the past as one of the complainers, went on to quote him as suggesting "it was time big business struck up a dialogue with government" and "we are witnessing . . . the development of a new political and philosophical debate about the role of big business. Get used to it, and become accustomed to its terminology and preoccupations." Most pointedly satisfying to me, however, was the line quoted near the end of the article which read, "Let me make something clear . . . I'm not saying: 'Ain't it awful?'

Formal acknowledgement of Council support for the overall OD effort came in October. A day-long Council meeting was held at a Melbourne hotel on Sunday, October 19, for purposes of reviewing the state of OD in GMH and making some plans for the future. Three concrete outcomes resulted. One was the formal decision, written into the official minutes of the meeting, that the Executive Council was no longer taking a "trial" approach to OD but was committed to it for GMH on a long-term basis. Second (and pursuant to the first decision), they decided that meetings of the Executive Council for purposes of managing the OD function would take place on a regular monthly basis during normal hours and be placed on
the calendar just as regular meetings of such other committees they served on as the Product Planning Committee or the Engineering Review Committee. Third, I was asked to stay on 2 more years. (I eventually turned down that opportunity, as will be explained later. Nevertheless, that request was a behavioral indication of a long-term commitment.)

**Executive Task Force**

The Task Force's "two-pronged approach" had much more strength in one prong than the other. There was both internal and external pressure to zero in on a need felt strongly at upper levels of the organization and represented in the third task in their charter: "Analyze the purpose, charter, and composition of each Committee. Define responsibility and authority of each Committee member." Critical decisions of the Company were made by a variety of committees modeled after the GM Corporate committee system pioneered by Sloan. Members of both the Council and Task Force served on many of these committees and there was a widely shared feeling that the committees were not formed or structured appropriately, did not function well, and wasted valuable executive time. Thus the work of the Task Force during these months really focused on this felt need, while the action research aspect of their strategy languished a bit.

In regard to action research, an interdepartmental group **did** enact an effective cross-functional approach to product
problems that occur in the field called "CURE"—an acronym for "Combat Unresolved Reliability Errors." Also, projects were started in Engineering and Financial with support and leadership from an individual Task Force member in each case, but these were considered OD projects separate and distinct from the Task Force effort per se. Other action research efforts started and stopped fitfully.

The major focus was, as noted, on the company's committee system, and dedicated hard work characterized this activity. During the months included in this section, almost all of this work was directed toward clarifying and modifying the system as it applied to what they labeled the "product conception" phase of the business, i.e., the decision-making apparatus for making the fundamental decisions about what products to manufacture and sell. After weeks of painstaking analysis, they made a number of proposals for changing the then-existing system toward a system that would (1) more clearly separate meetings on policy from meetings on operating, and (2) provide better interfunctional coordination. In defining the responsibilities of each member, they listed both external influence and internal influences that the member would be expected to represent, thus reflecting an open systems mental model. The actual number of relevant committees was reduced though one new one was added. Finally, a new position was created designating a full-time product coordinator. Criteria submitted for selection of a
person for this new role included ideas from the Lawrence and Lorsch (1967) article, "New Management Job: The Integrator." As indicated earlier, the Council approved these proposals enthusiastically. As a matter of fact, they eventually selected one of the Task Force members to be the first to fill the important new product coordination position.

In addition to these important tangible Task Force results, the Managing Director once commented on another important though less visible benefit. In the course of one of the Council meetings, he mentioned that a man from the Corporation in the U.S. had recently spent time in GMH trying to get some new worldwide corporate system installed and had remarked on how much easier it was to get interdepartmental cooperation on the system in GMH than in other divisions he had worked with. The visitor had told the M.D., "It's because of that Task Force you've got working."

Elizabeth

Much activity had taken place at the Elizabeth V.A.P. by December, 1975. In September, they presented their diagnosis and strategy to the Director of Manufacturing, some members of his staff, and all South Australian department heads. They received overwhelming moral support and the Director of Manufacturing made it more tangible with some financial support for needed projects. A video-tape of this presentation was shown to the Executive Council at the
October 19 meeting which both further educated the Council and obtained even stronger high-level support for Elizabeth. Two-day Familiarization seminars were conducted until all salaried people in the plant were familiar with OD concepts in general and diagnosis and strategy for Elizabeth in particular. They were also provided the opportunity in these sessions to add their ideas to both diagnosis and strategy with the results of their inputs recorded, compiled, and factored in. In the final week of October, a corporate survey titled "The Organizational Description Questionnaire," a well-researched instrument based on "The Survey of Organizations" out of the University of Michigan's Institute for Social Research, was administered to all salaried people as well, the results to be fed back after the first of the new year (1976). (Some results of this and a subsequent administration a year later will be discussed in the "Time 4" section of this chapter.) Additional team building and other training was done with the Steering Committee as a continuing learning group. Included was training in goal setting, subsequent to which they developed more specific goals than originally in performance areas such as schedule achievement, quality, productive labor costs, indirect labor-wages, losses-errors-and-defects, morale, lost time-industrial disputes, cost reduction, accident frequency, and absenteeism. They also had appointed and were using the services of a full-time internal OD coordinator.
Although the goals for Phase I had not included performance results, such results were occurring, although subject to much question regarding cause-effect and Hawthorne effect. Nevertheless, for whatever reasons, the plant did achieve schedule more frequently than ever before, efficiency had risen from a low of 67 percent to a high of 83 percent, and A$206,444 had been realized in a cost-reduction program. Quality for the first time surpassed corporate standards for acceptable quality cars. In fact, the leader of the team that traveled the Far East regularly auditing the quality levels of GM products produced in that part of the world remarked to me one day on the great improvement he had seen in both Dandenong and Elizabeth. He said he had told the newly appointed Managing Director in New Zealand about it and emphasized that, in his opinion, "the way to get quality is through working with people the way they are at Dandenong and Elizabeth in Australia."

Anecdotal evidence continued to be collated fairly systematically through use of the "OD File Note" system. This method was particularly useful for tracking the small-scale trials so important to the action research approach. For example, one small cross-functional group named the Door Trim Damage Committee began in September to investigate ways of reducing damage to door trims and scrap. By October 15, actions implemented by the group brought about a reduction in scrap from 8 percent of all door trims used to 2.8 percent
which represented an annual savings of A$6,912. The "V.A.P. Downtime Committee" looked into causes of excess line down-time in the final assembly area and concentrated on improving the maintenance and performance of a number of key pieces of equipment. For example, members of the group came up with a re-design of the drive unit for a conveyor which meant more efficient operating of the conveyor and an estimated annual savings of A$2,720. The number of cars lost from the schedule due to line breakdowns in this final assembly area for the 3 months before and after the establishment of the committee in August are as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
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<tr>
<td></td>
<td>110</td>
<td>210</td>
<td>94</td>
<td>65</td>
<td>0</td>
<td>24</td>
</tr>
</tbody>
</table>

Similarly, the "Paint Processing Committee" implemented actions between August and November that improved paint quality by 25 percent. An internal plant report put out on November 6, 1975, summarized by saying, "It is felt that the improved attitude of these groups contributed to the V.A.P. meeting schedule more consistently over the past three months. The quality index is being met more frequently and consistently, too, and a significant achievement has been the total elimination of 20 point items in the quality audit over this period." (The "20 point items" referred to are major faults found in a completed car which result in 20
demerit points being subtracted from a perfect quality rating.)

The major point to be stressed through all of the above data, however, is not the savings made here or there, or a few points on the quality index rating. The main point was that management was learning that it could do some things right after all, that they could achieve success, and that they could do it by working together with mutual ownership of problems and solutions rather than finger-pointing. In the final meeting of the Elizabeth Assembly Business Team that I attended before leaving Australia (held December 1, 1975), they reviewed their progress to date and then asked me for observations on where they had come and where they were headed. My basic observation was in reference to the meeting I had just witnessed. I said, and they agreed, that they could not have participated in such a meeting 6 months prior--that the degree of openness, problem ownership, constructive confronting of conflict, and healthy use of humor just were not present back then. Perhaps the use of humor was most striking of all. When I first met with the business team (before they even knew they were being labeled that), I was introduced to individual members in the most sarcastic ways, such as, "This is Mr. X from Production Control; they're the ones that keep us in trouble all the time." By the time of this final meeting, such a comment would not have been heard. They now laughed together rather than at each
other's expense.

Thus, there was some evidence of progress on the goals of Phase I to foster a climate for change and raise the mood of local management. This had been, and to a large extent still was, a very troubled plant, but things were looking up. Although it was still early, some thought was being given to the involvement of hourly workers and the unions in Phase II. A cross-level, cross-functional committee was formed to begin the planning.

Diffusion

It was important to diffuse lest the fragile trials under way become isolated and risk consequent lack of support (see Ketchum, 1975). By December of 1975, considerable diffusion had taken place. Following is a brief description of several other projects under way at this time:

1. General Accounting--A survey-feedback process guided by a diagonal slice planning committee. Active consideration of flexible working hours.

2. Foundries--Process consultation with three key operating groups.


4. Plants 1 and 5, Fishermen's Bend--Familiarization sessions held with management, leading to preliminary diagnosis and proposal for weekend offsite meeting in February.

5. Parts, Power, and Appliance--Objective-setting and action-planning.
6. Human Resources Management--Consulting with the HRM Steering Committee on development of effective strategy for introducing HRM into the organization.

7. Pagewood V.A.P.--Plans for intensive offsite team-building/strategy-planning session with top plant management.

8. Supply--Familiarization/team-building session for section managers scheduled for last week in January.

9. Sales--Plans for survey-feedback project.

10. Systems Development--Developed and implemented an innovative approach to employee appraisal.

11. Experimental Engineering--A project focusing on both job design of the project engineers and their interface with other Engineering activities, particularly Design Engineering.

Diffusion and the demands being placed on our resources for even greater diffusion were, in fact, becoming increasingly difficult to manage, an issue which will be addressed under "Institutionalization" both in this section and the Time 4 section.

**Institutionalization**

Some critical factors affecting institutionalization have already been discussed such as action of the Executive Council to formally and in writing make a long-term commitment to OD, to schedule Council meetings as a regular part of managing the enterprise as they did other committees, and to approve restructuring proposals of the Executive Task Force. Other important institutionalizing mechanisms such
as the Task Force and the Elizabeth Business Team and Steering Committee were also strengthened during this time. Moreover, diffusion was going on at a rapid pace, making it increasingly difficult for the whole effort to be discontinued.

In addition to all of the above, however, the primary institutionalization activity of this second half of Year 1 was the development of internal OD specialist resources. The two GMOO Fellows had returned from a year of work/study training in the U.S. in August. They quickly became involved in all of the above projects. In the early stages, this involved co-staffing with me on projects already under way. Increasingly, they took these projects over themselves and, in fact, initiated and carried out projects such as the Experimental Engineering, Foundries, and General Accounting projects virtually without assistance from me. We jointly developed a Project Management System in which each of them was the Project Manager for about half the above projects. I was Project Manager for just two: the Executive Council (they were not sufficiently confident of their credibility at this level and asked that I maintain that project) and the project of their own development.

In this latter regard, most of their development was "on-the-job training" with coaching and counseling from me. However, we did schedule some day-long training sessions wherein I designed and involved them in consulting skills.
learning experiences.

The full-time OD coordinator who had been appointed at the Elizabeth plant also participated in these sessions. Having had virtually no previous training, his role was largely a paraprofessional one. At the beginning he was charged largely with documenting the Elizabeth activities—accumulating archival performance records, recording and distributing minutes of meetings, coordinating the collection and distribution of OD file notes, and other administrative duties. During this time, he received some training and spent much time observing either myself or the other two men in our work. The Elizabeth Project Manager spent quite a bit of time coaching and counseling with this plant coordinator. Gradually he was taking on more of the role of a consultant, for example, helping conduct Familiarization seminars and acting as Process Consultant for the Steering Committee. However, at Time 3 he was still very much a paraprofessional.

Despite the fact that there were increasingly competent internal resources, however, I was, as indicated earlier, asked to stay on 2 more years. Key members of the Executive Council told me this was because they felt the internal men, though competent, just would not have the same credibility that someone like me would have at the top management levels. This was attributed to their ages (relatively young), relative lack of experience, and the fact that they were
"prophets in their own country" rather than an "expert
twelve thousand miles from home."

My family and I considered the offer seriously but, for
a number of personal and professional reasons, could not
accept. I recommended a most capable colleague of mine from
the Organizational Research and Development Department in
Detroit, and he was invited out to Australia in November
while I was still there. After 2-1/2 weeks of orientation
to the state of the OD effort, meeting many people, and
visiting many places, he decided to accept the opportunity.
In doing so, he characterized the process to date as "Phase
I--getting things started," and observed that a great deal--almost too much--was started. "Phase II," he said, was "to
manage the process." This was to be the major objective
for him, an institutionalization objective.

By no means did that appear to be easily accomplished.
In addition to the multitude of demands that already existed
and the still fragile nature of some of the main building
blocks, significant personality changes were about to take
place. During the time this new consultant was visiting in
November, it was also announced that the Managing Director
and Chief Engineer were being promoted and transferred.
They would be replaced by men from one of the European units
of GM.

The new consultant left at the end of November with
plans to return with his family in mid-January. He had to
contemplate both the management of an ongoing effort and the starting all over again with new characters in key roles.

Time 4: Two and One-Half Years

Dandenong

This plant continued to lead all assembly plants at the end of June, 1977. The Organization Description Questionnaire (ODQ) had been administered to a random sample of hourly and salaried employees in November, 1976. The results were reviewed with all employees and their union representatives. In October, 1977, the top management team went off-site for team building and planning for maintaining the integrity of their OD efforts. The Plant Manager, so instrumental in this endeavor, was promoted in April, 1977, to the new central office position of Manager of Manufacturing Planning, but indications were that his successor (who had been Production Manager in that same plant) would continue the activity.

Executive Committee

One of the first changes in the functioning of the Executive Council upon the arrival of a new Managing Director was the changing of its name to the Executive Committee. The new M.D. knew little of OD when he arrived, but expressed willingness to learn and keep an open mind.
Early in both his tenure and the tenure of the new consultant from the U.S., the Executive Committee showed further evidence of a commitment to "own" the OD function and manage it from the top. On February 18, 1976, they acted as a group on recommendations from the three-man OD unit to establish priorities for OD activities for the 1976 year. The priority projects chosen were the Dandenong, Elizabeth, and Pagewood V.A.P.'s; the Executive Committee itself; the Executive Task Force; the Foundries; and the Systems Development group. Thus, the job of managing the increasing project demand was eased with explicit top management sanction. They also approved the following criteria for future project selection:

1. Extent to which the potential client system is aware of problems in its organization and wants to do something about them.

2. Extent to which the project could have a direct positive influence on the Company's profitability.

3. Extent to which the potential client system has the freedom to manage its own affairs.

4. Strength of forces within the client system that are supportive of improvement efforts/new ideas.

5. Potential to develop sufficient momentum to make the project self-sustaining within the system.

6. Extent to which the project could (if successful) promote the organization development effort generally.

These criteria not only eased the difficulties of managing the diffusion demand, they also discouraged sham in the
sense of someone buying into the OD process simply "to look good" or because it was the "popular thing to do." This helped maintain the integrity of OD.

During this period they met regularly every other month for 2 hours, although they would occasionally meet longer when the task required it. This was the only meeting of this group for which it was unacceptable to send a substitute. If the member could not attend, he was simply absent.

In addition to meeting on a regular bi-monthly basis as an Executive Committee, the M.D.'s staff also had a tradition of regular Monday morning meetings over breakfast just as update, information-sharing, and coordination meetings. The new consultant (and later, one of the internal OD staff) contracted to serve as a Process Consultant and participated in that role in each of those meetings over the 1-1/2 year period.

When the Director of Manufacturing retired and was replaced by a man from one of the U.S. divisions, that meant 6 members out of 11 of the Executive Committee had not participated in the original Albury 3-day offsite session. For this and other reasons, they held another such intensive meeting away from the office October 15-16, 1976. This meeting focused on role, using Harrison's (1971b) "Role Negotiation" design. They further defined three roles of the Executive Committee as a whole as being to:

1. Review the short- and long-term company objectives.
2. Recognize and define problems affecting company operations which are outside the scope of existing committees and develop strategies to effect correction.

3. Analyze needs and promote activity to develop the effectiveness of the total GMH organization.

This group also continued to give formal support to proposals from the Task Force, and the Department Head who previously had said his department could not spare a fully participating Task Force member had changed his mind as he experienced a feeling of being "left out of the action." They also supported Elizabeth's proposal for a pilot effort launching Phase II of their strategy. Both of these will be discussed below.

At the end of June, 1977, the auto industry in Australia was in dire straits, facing a very depressed market. Through this, this Executive group, according to testimony from the now departing U.S. consultant, was maintaining its increasingly proactive stance and supporting OD more strongly than ever with leadership from a now strongly committed Managing Director. Improvement in the dimension of mutuality of relationships among this group was noted in that there was increasing understanding of the distinction between accountability and responsibility. For example, previously the Manager of Quality Control felt—and largely was regarded by others in the group—both accountable and responsible for the quality of all products when in fact his responsibility was
to see that service was provided--primarily to manufacturing--to aid the production of quality products. Moreover, it was observed that individuals in this group were increasingly able to put aside their functional hats in Executive Committee Meetings and that this role set carried over to other meetings they attended where personnel matters were concerned. Both of these developments helped meet the need for greater integration. However, functional hats still seemed to reappear in contexts where the main issues were technical. Evidence of increased boundary permeability included the decision taken in May, 1977, that all Department Heads were free to and in fact should speak directly to the press and not, as had been previous policy, avoid responses or wait for a response from the public relations function.

**Executive Task Force**

The Task Force by July, 1977, had undergone numerous changes in membership. The Executive Committee had made it a practice to ask members to serve about 1 year with overlapping terms so that about half the group changed at one time. Nevertheless, it continued to meet all day every Friday. At the time of each membership change, more extensive time was set aside for training and orientation of new members. As of February, 1977, Task Force proposals had been positively acted upon by the Executive Committee in regard to Product Policy, Quality, and Cost Reduction. They
had consciously dropped any attempt at the action research strategy, feeling the task was inappropriate given time constraints. Moreover, tasks were now assigned by the Executive Committee rather than developed from the original charter. In May, 1977, it was reported by the U.S. consultant that "the status of the Task Force has, if anything, gone up in the last six months." It was also serving as a training ground for those destined for the very top positions in the company, as indicated below in an excerpt from a report from the Managing Director to the GM Overseas Administration Committee given in April, 1977:

We believe that the Executive Task Force has provided our younger and frequently geographically isolated managers with an opportunity to work with others in high positions on company-wide issues. This process increases their development of a broader perspective on our company's efforts while modeling increased delegation from above for the rest of the organization. Most department heads have also reported that membership in the Task Force has increased a member's willingness to cooperate and coordinate his activities with other departments and we feel that these changes have also brought about a flow-on of these attitudes to lower levels of management as well.

Elizabeth

In regard to Phase I goals focusing on raising management morale, some measurable progress was made. The "Organizational Description Questionnaire," which had first been administered in October, 1975, was readministered to all salaried people in December, 1976. This survey is divided
into the following major indices: How You See Your Organization (including opportunity for advancement, general organizational "health," concern for employees, and employee commitment); Your Supervisor (concern for employees, concern for performance, building a work team and help in getting work done); Your Work Group (supporting each other, concern for performance, working as a team, helping each other, and having clearly understood and accepted objectives); Your Job (freedom and resources); Organizational Practices (effort, information-sharing, cooperation, influence, decision-making); and Organizational Performance Indicators (satisfaction, turnover, absenteeism, work group performance).

Surveying the total population of 140 in 1975 and 128 in 1976, the total survey mean showed a T value improvement of .70 on the second survey. The greatest improvement in the major indices was shown in "Your Supervisor" (1.09) and "Organizational Practices" (1.72). Slight losses were recorded in "Your Work Group" (-.36) and "Your Job" (-.02). To the extent that a T test of the difference between means applies when total population samples are included, none of the above T values are statistically significant at the .05 level of confidence. However, it can be argued that when using total population samples, inferential statistics are not meaningful and that any difference between means is a difference subject only to judgment as to the practical significance of that difference as well as the usual caveats.
with respect to error of measurement.

Nevertheless, statistically significant (at .05) improvements were recorded in regard to the supervisor's perceived concern for performance (2.00); the extent to which needed training was provided (2.53); the supervisor's willingness to listen to employee problems (2.14); the extent to which supervisors set a good example by working hard themselves (3.70); the extent to which top management is aware of problems at the employee's level (2.43); and the influence of divisional management on what goes on in the employee's department (2.56).

Statistically significant (at .05) negative T values were recorded in the extent to which the employee's work group pays attention to what the employee is saying (-2.05); and the extent to which the employee's job provides freedom from daily routine (-2.32).

While not statistically significant, the overwhelming preponderance of individual items showed improvement including overall satisfaction with the organization (1.26), and a feeling that the organization was "run better now than in the past" (1.38).

In interpreting these results, it must be remembered that the survey was administered primarily for feedback and action-planning purposes rather than measurement. In fact, the first administration did not take place until over 3 months of major organization improvement efforts had been
under way.

Conservative as this would cause interpretation to be, however, there was certainly some evidence for concluding that the mood of local management had been raised. Further, the clarification regarding accountability and responsibility that started at the Executive Committee level was filtering down and was changing at this plant as well.

Important progress had also been made on Phase II, a major goal of which was to involve hourly employees in developing ways to improve the quality of their work life. This took longer to get under way than the Steering Committee first anticipated, but that is not unusual. The Phase II Planning Committee developed a proposal for a pilot project in sociotechnical systems analysis and redesign which was sanctioned, in turn, by the Elizabeth Assembly Steering Committee and Business Team, the Manager of Assembly Plants, GMH Industrial Relations Department, and, finally, in September, 1976, the Executive Committee. The objectives were to:

1. Provide all employees the opportunity to be involved in the planning, decision-making, problem-solving, monitoring, and controlling of group and operating performance within their work groups.

2. Provide the two-way flow of information necessary to achieve objective 1 (for example, standard times, budget, work group operating problems).

3. Provide opportunities to all employees to develop and expand their potential so that they may participate more effectively both as a member of a work group and the community.
4. Provide all employees with the opportunity to share in the success of the Elizabeth Assembly Plant by ensuring that members of the plant are adequately and fairly compensated for improvements in plant performance.

5. Develop a sound relationship between employees, management, and unions which will provide security for all parties.

6. Develop the supervisory function to that of being a group leader coordinating and supporting the activities of a work group.

7. Further develop safe working conditions in a healthy environment.

8. Learn from and evaluate the implementation of these objectives by applying them in one pilot area in preparation for further extensions within the plant.

It was further proposed and approved that administration and control of the project be entrusted to joint management-union committees including a Pilot Site Selection Committee, Pilot Group Design Committee, and Elizabeth Quality of Work Life Committee. It was further to be understood that activities undertaken not be precedent-setting for other areas, that no evaluation be undertaken earlier than 12 months from project inception, and any decision to terminate the project be a joint union-management decision.

While all of the above was sanctioned by all appropriate levels of management, the extremely sensitive task of getting all the appropriate blessings and involvement from the multitude of unions was not yet fully accomplished by July, 1977. The largest difficulty was the V.B.U.'s desire to make the project a bargaining issue—something the company wanted to
avoid. The South Australian Government, a Labor government viewed by many as the most progressive state government in Australia, had also shown an interest. Their Unit for Industrial Democracy--the only such state unit in the country--was involved and offered the full-time assistance of a consultant who was a part of such experiments in Sweden. To some extent, this very process of attempting to obtain sanction and appropriate involvement from all relevant groups was the beginning of Phase II.

**Diffusion**

Although most projects reported on as diffusion projects at Time 3 continued or expanded, diffusion also took on a somewhat different character during this latter period.

Of the 11 projects reported earlier in this chapter, fairly intensive activity continued in General Accounting, the Foundries, Systems Development, and Experimental Engineering. This latter activity was deemed successful enough that it had spread to the rest of the Engineering Department as a data confrontation approach under the leadership of the new Chief Engineer. Pagewood Vehicle Assembly was continuing, though with uneven effort. The Supply project was considered complete with the one intervention described. The Personnel project was considered unsuccessful and a frustrating experience for all concerned. The Plants 1 and 5 project and the Parts, Power, and Appliance project required...
low-level OD involvement to begin with, and even this involvement diminished as other priorities took their place. Plans for a survey in Sales became a part of wider organization survey plans.

In addition, three other important developments expanded the comprehensiveness of the overall GMH effort: (1) the development of a training program in problem-solving skills to be offered widely throughout the organization; (2) the conducting of 2-day Familiarization seminars on a regular basis for wide dissemination of basic OD concepts; and (3) the administration of a "Quality of Work Life" (QWL) survey to all salaried employees of GMH. This latter survey, recently developed by General Motors Organizational Research and Development Department, was administered in May of 1977 to 3,381 GMH employees.

Moreover, diffusion was taking place less as "project diffusion" and more as "behavioral diffusion." Two examples that have already been mentioned were the diffusion of new role behavior by members of the Executive Committee from meetings of that specific group to other meetings, and the filtering down of their increased understanding of accountability/responsibility distinctions to plant levels. A specific diffusion was the formulation of the Personnel Relations Policy Committee. This committee was formed by the Executive Committee (and is comprised of the same members) to meet monthly specifically to act on those items
in the original Executive Committee charter having to do with personnel. Acting as a sanction group, they enacted policy supporting experimentation with flexible working hours. As a result, General Accounting and Engineering were engaging in trials of flexi-time. They enacted policy supporting the development and promotion of women in the work force. They also instituted a process for the early identification of management potential.

Another sort of diffusion along these lines was increased use of ad hoc cross-functional task forces for many purposes. Significantly, many past Executive Task Force members were members of these new groups and it became customary to call on the OD unit for team building early in the life of these task forces. In fact there was even some diffusion of this approach beyond the shores of Australia. A task force made up of representatives from GM units in Australia, Brazil, Germany, and England were assigned to investigate an EDP system for purchasing in the U.S. during the spring of 1977. The Australian contingent was considered the lead group in this project and, having had experience with this approach, requested that I conduct a 2-day team building session with the entire task force on the second and third days of their several months of work together in the U.S.
Institutionalization

All of the above represents some evidence of institutionalization, especially the actions of the Executive Committee to continue to manage the OD process and such activities as organization-wide surveys. Further, a publication was started called the Holden News File. This newsletter, circulated to all employees, was a joint undertaking of the public relations and personnel relations departments and was designed not only to keep employees up to date on the state of the business, but to publicize OD activities in the organization. Perhaps most relevant, however, is the issue of internal staffing.

Sufficient progress had been made in this regard that in January, 1977, it was mutually agreed by the U.S. consultant and the Executive Committee that he could return to the U.S. about 6 months earlier than expected without sacrifice to the effort. He had been originally scheduled to complete his assignment in December, 1977, but now it was decided that he could leave in July. Coupled with that decision was the decision to name one of the two internal specialists as his successor to head the OD function in GMH. This man was thus named and that decision announced to the organization nearly 6 months before it was to take effect. Such early announcements are unprecedented in that organization, but it facilitated a much more orderly withdrawal and transfer of
responsibilities process than otherwise would have been possible. It further gave explicit top-level credibility to the internal man and allowed him to function with that degree of sanction for several months before the U.S. consultant's departure. Included in these functions was the previously mentioned process consultant role with the Executive Committee.

Moreover, another man from within the line organization was added to the internal OD staff, bringing with him substantial manufacturing credentials. In addition, a woman was being trained on a GMOO Fellowship in the U.S. to return in August as a full-time internal OD practitioner.

In summary, it would seem that OD was alive and well in GMH in July, 1977, though once again at a potentially critical juncture. This juncture represents an end point for the present study, even though the process of change goes on at GMH. It is difficult to capture a dynamic process at a point in time just as it is difficult for a photographer to capture an event in motion with a still camera. The two "snapshots" just presented for Times 3 and 4 represent attempts to do just that. As such, there is the danger that the reader will gain the impression of a static situation when in fact it is very much in motion. In many ways, the process has just begun.
CHAPTER IX

ANALYSIS

Introduction

The preceding account focused in detail on the first 6 months of a long-range OD strategy applied in a large system. This period constituted the launch or entry stage of that strategy, a time period labeled "Time 1 to Time 2." As indicated in Chapter III, this analysis of the preceding case description will treat two main issues: (1) the effectiveness of the launch strategy employed, and (2) the usefulness of existing models in explaining or predicting the effectiveness or lack of effectiveness of the launch strategy. Data presented in the case from Times 3 and 4 will be used as support for the analysis and the conclusions drawn.

Effectiveness of the Launch Strategy

Whether or not one considers the launch process as described in this case effective depends, of course, on one's criteria, which, in turn, depend on one's mental model of OD or organization change. Those with Utopian social system models would find much to be desired in GMH in both Time 1 and Time 2 (as well as Time $\infty$, it could be suspected). So also would those holding a Marxist model (cf. Brimm, 1975).
However, even people with less grandiose schemes in mind would justifiably find their singular ax not ground. For example, job enrichment advocates will note only peripheral nods in that direction; likewise with worker participation in the European mode; or, for that matter, anyone who views the only legitimate focus of OD to be on blue collar workers and the quality of their work life. Although such desirable outcomes were certainly in mind as an eventuality and progress was demonstrated in this direction between Times 1 and 4, most assuredly such progress was painstakingly slow: some evidence of unprogrammed involvement of hourly employees at Dandenong and Elizabeth and one proposal for a planned pilot project at Elizabeth still not completely sanctioned by all relevant unions. This would especially violate criteria held by most unionists, of course. On the other hand, those oriented toward "business criteria" of success may not feel completely satisfied either, though there is more promise in the data in this regard.

Allison (Brimm, 1975) sums up the point with a brilliant analogy: "Conceptual models not only fix the mesh on the nets the analyst drags through the material in order to explain a particular action; they also direct him to cast his nets in select ponds, at certain depths, in order to catch the fish he is after" (p. XI-5). Quite obviously, the author considers the launch strategy employed to be reasonably to very effective. This inference would be made with no

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great difficulty by anyone reading the case. Moreover, it is most likely that he would have selected another pond in which to cast the net of this study if he did not consider it effective. Therefore, the only question becomes the basis on which he considers it effective; the conceptual model on which he bases his judgments; the mesh on his nets; the fish he is after. (While thus admitting to blatant bias, however, an important reason for presenting the case itself in such detail was to provide a pond to drag through with other analytical nets for those so inclined. Ponds described from such a personal change agent perspective are not abundant in the literature, perhaps because of the risk one runs of having one's pond dragged through by fishermen who do not share the same perspective.)

The author indicated his criteria to some extent in Chapter III when declaring his intent to focus on process outcomes rather than organizational effectiveness outcomes since the central purpose of the study was to contribute to an understanding of the process of change. Some analysis of the evidence of organizational effectiveness outcomes will be provided first, since it obviously is hoped that the change was for the sake of improvement, but the central questions to be answered deal with whether or not change occurred and was maintained and institutionalized.

There was some increased business effectiveness reported for the two key plants in the entry strategy, Dandenong and
Elizabeth. Both need to be interpreted cautiously, however. In the case of Dandenong, its new leadership was already causing improvements to occur before any formal OD intervention and might well have—in fact, no doubt would have—achieved its status as the best performing assembly plant in GMH without the Confrontation Meeting and its subsequent follow-through activities. At best, the intervention helped the organization arrive more quickly and systematically at the destination toward which they were already inexorably moving. The business results at Elizabeth, on the other hand—such as meeting schedule and quality standards—were fitful throughout the 2-year period from the initial intervention there (just prior to Time 2) to Time 4. Much depended on the degree of "industrial" peace or unrest. During periods when the unions were quiet, the plant seemed to be performing better subsequent to the initiation of OD than in the past. When the unions stirred things up, the plant seemed much as it did before any intervention had been made. However, savings and efficiencies realized from the action research "mini-projects" were permanent ones and as clearly an affect of OD interventions as one could ever claim when trying to determine cause-effect in these matters.

Such attribution is even more difficult on the more comprehensive level of analysis known as GMH. The external environment continued to be most volatile throughout the period of this case. Therefore, though sales and profits
were up from 1974 for both 1975 and 1976 and drastically down at mid-year of 1977, little cause if any could be attributed to OD. Similar results were obtained through the industry and obviously were largely a function of the state of the whole Australian economy. Moreover, so many changes had occurred other than those related to OD—especially the changes in key leadership—that, even without external considerations, cause-effect questions become hopelessly confounded.

There were some effectiveness outcomes, however, toward which we definitely did target ourselves. They are basically encompassed by Alderfer's (1976) formulation of critical system phenomena to be treated in the change process: boundary permeability and relationship mutuality, or what Greiner and Barnes (1970) referred to as (1) the organization's level of adaption to its environment and (2) the internal behavioral patterns of employees (p. 2).

Work with the two top-level groups—the Executive Council and the Executive Task Force—both had, as one of the major goals, more effective coping with the external environment or more optimally open boundaries. Evidence that such "opening up" occurred was cited in regard to the Council (or later, the Committee) with respect to the increased participation in employer and government study groups and the speech delivered by the M.D. regarding industry's response to government intervention. There was less saying "ain't it
awful" although that never entirely disappeared nor is ever likely to. On the other hand, there was a genuine attempt to anticipate environmental forces and proactively deal with them. This was most clearly demonstrated in the work of the Executive Task Force in the analytical approach they used to develop proposals with regard to such critical matters as product policy. As mentioned, they used an open systems approach and structured committees and their membership so as to take all external forces into account that were deemed relevant to a given decision area. Further, the Elizabeth Phase II proposal clearly represented an attempt to make the boundaries more permeable in one most important domain, that of the unions.

Internal boundary rigidity was also softened, which enhanced relationship mutuality. More was instituted in this regard, probably, than any other. This reflected the diagnostic observation during the scouting period of the need for better integration and the potential payoff for economies of coordination (see Chapter V of this study). In addition to the attempt to build mutuality of relationships by team-building interventions, integrating devices to supplement the management hierarchy were widely implemented. These included the Executive Council and Task Force, the Elizabeth Business Team and Steering Committee, the "Business Units" created for problem-solving at Dandenong, the design of the "product conception" committees, and the
creation of the position of Product Planning Coordinator. In addition, a number of cross-functional task forces were created for ad hoc tasks as part of the Executive Task Force, Elizabeth, and Dandenong strategies. Moreover, the HRM system was being implemented to enhance the likelihood of cross-functional career development. Some measurable evidence of relationship improvement was derived from the survey results at Elizabeth, and there was the testimony given by an outside visitor (see Chapter VIII) as to the interdepartmental cooperation he attributed to the Executive Task Force.

On the other hand, it was the author's judgment, as reported, that relationships had not improved a great deal by Time 3 with respect to the Executive Council. Whether because of the inappropriateness of the interventions—certainly a contributing cause as this observer sees it—and/or other reasons, that group was still engaging in internecine battles when the author departed in January, 1976 (an observation he shared with them shortly before he left). This apparently improved considerably by Time 4, what with the new consultant, new Managing Director, other new personalities, and interventions such as the process consulting at meetings and the offsite meeting that included role negotiations.

There is some evidence, then, of improvement in organizational effectiveness: in operating effectiveness at the plant level, but most particularly in boundary permeability.
and mutuality of relationships in the organization as a whole. Let us turn now to the central issue of process outcomes.

It is believed that it can be objectively said that change did, in fact, occur. Some evidence for this statement is found in the above discussion of effectiveness outcomes. But more to our point, such changes as thus evidenced are partial demonstration that the organization had moved from a state at Time 1 of lack of awareness of OD at best or outright resistance at worst to a state of widespread trial and even adoption at Time 4. Perhaps the bottom line testimony is that, at the end of 2-1/2 years, OD still existed in GMH despite the fact that it was launched in the context of extremely tight economic circumstances and that the organization faced such circumstances again in this latter period. Moreover, it survived major changes in the leadership of both the organization and the OD function. All of the above--economic bad times, changes in organizational leadership, and changes in consultant resources--have frequently led to the downfall or discontinuation of OD efforts in other cases. In the present case, they did not. Why?

One important reason must be the continuing active involvement and leadership of key individuals at the top--such as the Managing Director--and the top group as a whole--the Executive Committee. Despite key personnel changes in this group and some early let-down after their initial
enthusiasm, it continued to take an active role in managing the process as well as modeling adoption behavior in at least three ways: (1) regular monthly meetings on OD, (2) use of an OD resource as a process consultant, and (3) intensive offsite sessions in which they reexamined their own behavior.

Another important factor contributing to survival of the change process was the development of structural mechanisms—what might be called instrumentalities—that served as agencies for maintaining the process once started. These included the Executive Committee, the Executive Task Force, and the Elizabeth Business Team and Steering Committee. In the case of the Executive Committee and Elizabeth Business Team, it was primarily a matter of making use in the OD process of existing power groups and institutionalizing their OD role. In the case of the Task Force and the Elizabeth Steering Committee, it was a matter of creating new roles for new structures and, most importantly, using them as opportunities to link supportive opinion leaders from all functions.

This linking phenomenon also had critical impact on another factor contributing importantly to the continuation of the change process to Time 4 and, hopefully, beyond: widespread diffusion. From our earliest experience in General Motors as well as from reading (Ketchum, 1975; Walton, 1976) and hearing about the experience of other
organizations, we have learned that diffusion is not the simple, rational process one might believe. Logic would seem to say that if a pilot project is clearly successful, especially in terms of clearly superior business performance, then all practical managers in the system will want to emulate that demonstration. Again and again, however, it has been shown that such is not the case. In reality, diffusion is a much more complex socio-political process. In the case of GMH, there was an attempt to anticipate diffusion needs and to build in synergic diffusion mechanisms before there was indeed anything to diffuse. Chief among these was the Executive Task Force, as pointed out in the case. It was the intent that these opinion leaders would, based on their Task Force experience with OD, encourage trials elsewhere in the system. In addition, of course, other diffusion forces were at work as well, sometimes acting interactively with the Task Force phenomenon, sometimes independently.

Did this diffusion strategy succeed? Figure 23 shows some of the results. In this model, the major diffusion projects that developed between Times 2 and 3 (the period of most rapid diffusion) are shown in the middle, surrounded by the major diffusion forces. In the upper left-hand corner are shown some key forces in the entry strategy which, among themselves, had some interaction effect. That is, the Dandenong V.A.P. pilot success had some positive influence on the Director of Manufacturing and the Manager of Assembly...
Figure 23. Diffusion in GM Holden's.
Plants; these two men, in turn, had a great influence on getting the Elizabeth V.A.P. project under way (as did the Dandenong success itself); once Elizabeth got off to a very good start, it, in turn, strongly reinforced the ownership in the process of these two men who then went on to influence the start-up of other projects. It was reported in the case that the author periodically spoke to some of the regularly scheduled management training classes, especially during the scouting period. This is shown, in the lower left of the model, to have directly influenced two trials. The Executive Council (or members thereof) shown in the lower right contributed toward influencing other projects. However, it can clearly be seen that the most overwhelming force for diffusion was the Task Force. In 10 out of the 12 diffusion projects, Task Force members played a key role, either as the single strong initiator of the project or as strong support for it. They would even have some slight claim in influencing HRM through their Statement of Direction; however, this was most clearly brought about by the Council as a whole and one of its key members, the Personnel Director. Further, the list of projects does not include some of the action research projects the Task Force had initiated. All in all, they were certainly a potent force for diffusion.

Finally, in terms of process outcomes, it is important to examine the development of internal resources. This process had some ups and downs during the first 6 months as
a result of lack of clear understanding of roles and players. This reinforces the frequent advice to consultants continually to clarify their contract, psychological or otherwise. However, once those issues were cleared up, there was fairly steady progress made toward capacitating those inside the system—in terms of their skill, experience, credibility, and access to all levels of the organization—to assume full responsibility for the OD resource function and permit the orderly withdrawal of outside consultants. This steady progress was only interrupted temporarily at Time 3 with the change of outside consultants and the resulting need of the new consultant to spend some time developing his own credibility.

One question that could legitimately be raised regarding internal resource development, however, has to do with the issue of time: should it have taken 2-1/2 years to accomplish this orderly withdrawal? Some circumstances unique to this case confound the answer. For example, the initial misunderstanding regarding the role of the Training Manager, as well as the fact that the two men who eventually did become the key internal resources were in the U.S. during the first 6 months of the effort effectively precluded any progress on this goal for that period of time.

The second 6 months, however, were a different matter, and have important implications for change strategy more generally. This period, it will be noted from the case, was
the period of most rapid diffusion. Thus, while there was some internal consultant development through observation, coaching, and counseling on the job, and, very infrequently, formal classroom experiences, the primary focus of activity was trying simply to staff the burgeoning project load and cope with increasing requests and demands. Consequently, consultant development was often compromised. The rapidly rising diffusion rate for this period is, of course, consistent with Rogers' (1962) S curve for adoption rate reported in Chapter II and, therefore, may be a predictable phenomenon in change efforts. This finding could be of great importance for the staffing of change efforts as well as for planning for resource development. This matter will receive some further consideration both in the ensuing section of this chapter and in Chapter X.

Further consideration with respect to this time factor in internal resource development must be given to the size and complexity of the change effort as well as the size and complexity of the system. The case reported here represents a fairly large and complex effort in a fairly large and complex system. When all of the above are combined with the fact that once the outside consultant left the organization (and the country) the distance caused him to become virtually inaccessible—he could not casually be called in from time to time or phoned and used as a sounding board, it makes for a reasonably large and complex undertaking. Taking all this
into consideration, the judgment is made here that the goals of internal consultant capacitation and outside consultant orderly withdrawal and termination may have been accomplished somewhat sooner, but not much.

So far, then, we have analyzed the effectiveness of the launch process in terms of organizational effectiveness outcomes and process outcomes. We found some evidence of improved performance, more optimally open boundaries, and greater mutuality of relationships. In terms of process, the indicators of a successful launch were ongoing and institutionalized top-level commitment and direction, the existence of instrumentalities or structural mechanisms for maintaining the process, widespread diffusion, and the development of internal specialist resources. Most importantly, the effort was still alive after 2-1/2 years of extreme environmental vagaries and changes in key leadership.

As a final assessment, the reader is invited to test the case against Beckhard's (1969) conditions for success and failure listed in Chapter II of this study. It would seem to hold up quite well.

Usefulness of Existing Models

In the review of existing models in Chapter II, the conclusion was drawn that a sufficiently comprehensive model for initiating planned change in the OD mode must include consideration of the change agent(s), the client system, the
nature of the proposed change, the process, and time. In this section, an attempt will be made to analyze the extent to which existing models explain or predict the effect of each of these factors on the case.

**Change agent(s)**

It is not the intent here to analyze the major interventions made by the change agent so much as it is to analyze the change agent himself as an instrument of change as suggested by Rothman (1974; see p. 46 of the present study). Critical to this analysis are the issues of the change agent as outsider, the change agent's use of power, and change agent roles.

As the primary change agent during the period of primary consideration—the launch phase, or the first 6 months—the author was clearly an outsider. Although a member of the suprasystem, General Motors, of which GMH was a part, he was external so far as the organization itself was concerned. Further, he was "a bloody Yank," an American in Australia. Existing models and related research indicate this is both a blessing and a curse.

Greiner's (1967) model, for example, points to the entry of a new man from outside the organization and known for his ability to improve organizations as a necessary element in successful change attempts. Lippitt and Lippitt (1977) suggested advantages for the outside consultant such as the fact
that it may be easier for the client to admit to a problem to an outsider than to a peer, the credibility of greater experience, the freedom to safely ask naive questions, to suggest new methods, and to test the readiness of the system, and the provision of a wider and fresher perspective on problems and goals.

There is much on the disadvantage side, however. Watson (1969) referred to resistance to change brought by outsiders, and this was supported in Rogers and Shoemaker's (1971) research regarding heterophily and homophily with "change agent success . . . positively related to his homophily with clients" (p. 242).

In the preceding case, both sides of this issue were experienced. There did, in fact, seem to be some "expertise" power accruing to the author as a result of his being an outsider from the U.S., and it did provide him with some degree of wider perspective. At the same time, however, he was received with some degree of suspicion. His heterophily was somewhat reduced by three facts of circumstance: (1) he was from General Motors and to that extent shared some knowledge, norms, and experience with the client system; (2) some of the key individuals in the client system were also Americans; and (3) as discussed in the case, it was a common occurrence for someone from the U.S. Corporation to go to GMH on a temporary assignment as an "expert" in one field or another. Beyond these circumstantial considerations, other
steps were taken to increase the author's homophily. For one, partly because it was in his nature and partly as a result of conscious effort, he learned all he could about Australian history, customs, language, politics, and culture generally. For example, as those Australians in GMH who knew him would surely testify, he became fascinated by Australian idioms and before long used such phrases as "fair dinkum" and "she'll be right, mate" almost as though he were a native (or "true blue," as they say). This was not a forced practice because it was congruent with his personality, but he was conscious that the Australians seemed to enjoy his attempts. On an even less lofty level, he similarly found little difficulty in developing a taste for Australian beer and was not averse to stopping at a "Hotel" (pub) on the way home from work with some of his "clients." One's participation in such "schools" (groups of drinkers) was a fairly highly valued local norm and worth some sacrifice in the name of homophily.

Another method of reducing heterophily was by working through internal opinion leaders. The first such instance, of course, was the relationship that arose between the author and the Dandenong Plant Manager. Although he was an Australian line manager and the author was an American consultant, they immediately shared some degree of homophily in terms of shared beliefs in respect to how organizations work. Moreover, the author's previous assembly plant experience
enabled him to talk plant language and to understand the Manager's, as well as to have some empathy with his situation. He, in turn, helped bridge the outsider gap the author had with respect to the rest of the system. This sort of bridging became increasingly true through work with the Executive Council and Executive Task Force. All of this is consistent with Rogers and Shoemaker's (1971) findings, especially this latter approach which, they stated, "change agents frequently employ to bridge the heterophily gap: They work through opinion leaders in the system to halve the social distance between themselves and the majority of their clients. Then the original wide heterophily gap is shortened to two smaller gaps. The use of leaders may also gain credibility for the change agents' innovations by gaining tacit endorsement of the opinion leaders" (p. 243).

To reduce the resistance to change brought about by outsiders as alluded to by Watson (1969), the author attempted to make both the diagnosis leading to the change and the design of the change itself in all cases a collaborative process. In the instances of the Council, the Task Force, and Dandenong, most of the diagnosis and design were done by the client groups with the author in a process role providing techniques and models to facilitate their efforts. As reported, the author took a more assertive and expert stance at Elizabeth, providing his own content input into the diagnosis and planning processes, but still encouraging...
input from the client system. This is consistent with both of Watson's (1969) principles relative to "Who brings the change?" (see pp. 66-67 of this study). The findings of both Watson and Rogers were thus useful.

These latter two matters--the working through opinion leaders and the collaborative approach to diagnosis and action planning--are also most relevant when dealing with the issue of the change agent's use of power. As a consultant with peripheral system membership and no hierarchical authority, a change agent's sources of power are limited and yet his job is to influence others in the direction of change. Within himself he needs to rely almost entirely on expert power and referent power. Both require extreme personal sensitivity. Beyond these, he depends for power by means of the coalitions he can forge with opinion leaders and gatekeepers within the system. These relationships, in turn, depend again on expert and referent power. As cited in Chapter II, Rogers and Shoemaker (1971) generalized that "change agent success is positively related to the extent that he works through opinion leaders" (p. 243). The change agent efforts, reported in the case, with the Dandenong Manager, the Managing Director, the Director of Manufacturing, the Manager of Assembly Plants, and--individually and collectively--the Council and the Task Force were expended with this in mind. All of Rogers' findings regarding change agents, as reported in Chapter II of this study, appear most
relevant and useful in explaining the level of success reported in the launch strategy for this case. Greiner's (1967) finding that the use of shared power characterized successful patterns of organizational change is also relevant.

Examination of the case will also reveal that the change agent role repertoire was quite broad, making use, it is believed, of the entire directive-nondirective spectrum as developed by both Lippitt and Lippitt (1977) and Schuttenberg (1971) and as shown in Chapter II of this study. Rothman's (1974) research supports such use of a multiple-role set. In particular, the passage cited on page 60 of the present study supports the more directive than usual role taken at Elizabeth.

In summary, then, this analysis leads to the conclusions that existing models are of some use in explaining the more effective change agent behavior reported in this case in regard to dealing with issues of heterophily, power, and roles. Particularly useful were the findings of Rogers and Shoemaker (1971), Rothman (1974), and Watson (1969).

The client system

Much of the literature reported in Chapter II suggested a search by the change agent for potential client systems having characteristics hospitable to innovation (Peets, 1970; Rothman, 1974; Watson, 1969). Beckhard (1969),
Harrison (1971a), and Shepard (1975) further suggested looking for these characteristics in key individuals or subsystems of the organization. For the consultant employed by a company, the latter is the more realistic option. An independent consultant may perhaps be able to pick and choose his clients. An internal consultant sometimes must take clients who are a long way from meeting optimum criteria defining "modern" systems. However, here is an instance where it can be an advantage to consult for change in a large system. Through systematic scouting, given the large numbers of individuals and subsystems in a large organization, the laws of probability suggest that a change agent can usually find sufficient opportunity for early intervention. This relates somewhat to the "slack" in large systems alluded to in Rothman's (1974) findings in this regard. Thus, in large systems, the change agent's task becomes the location, development, and synergic linking of individuals and subsystems that match as closely as possible the characteristics of innovative systems suggested by research. This was certainly practical in the preceding case, especially in regard to the choice of Dandenong as the site of the initial major intervention. The synergic linking is shown in Figure 23 of this chapter. To the extent that existing findings relevant to client system characteristics suggest such change agent activities, they are useful. Nowhere, however, do they seem to appear in model form.
As for assessing readiness, Beckhard (1969) and Harrison (1971a) provide helpful insights, particularly in regard to sensing felt needs. However, Gleicher’s $C = (abd) \times x$ formula (Beckhard, 1975) appears most useful of all. When applied to key subsystems in this case, it is most revealing. Dandenong, for example, felt considerable dissatisfaction with the status quo, but was already pretty well aware of where it wanted to go and some practical steps for getting there. Thus, an intervention that simply helped with another practical step could serve as a very helpful catalyst in an existing culture of high readiness. The Executive Council, Executive Task Force, and Elizabeth were all sufficiently high in dissatisfaction that they did not need further beating over the head with pressure to change, but they did need help with direction and practical steps. This was especially true of Elizabeth. Thus, this formula not only helps in the analysis of client system readiness, but also in determining appropriate interventions and change agent roles. This author did not know of the Gleicher formula at the time the launch strategy reported in this case took place. He wishes he had.

The apparent need for the client system to feel pressure to change is further supported by the Greiner (1967) and Dalton (1970) models, of course. Both point to such pressure as a necessary antecedent condition. Perhaps it all goes back to Lewin’s (1958) notion of unfreezing.
Nature of the change

OD starts at a disadvantage here, as discussed in Chapter II. As an innovation to be adopted, it rates low on Rogers and Shoemaker's (1971) criteria, relative advantage, compatibility, complexity, and communicability. Frequently in the case, for example, the author referred to difficulties he had in communicating the nature of OD and his role, in part a function of its complexity. This required special coping mechanisms such as the Boardroom presentation, familiarization experiences in the course of offsite meetings primarily meant for other purposes, and speaking to training classes. In large part, however, the author talked about OD as little as possible and "let it demonstrate its meaning" through activities involving opinion leaders. As much as possible, in this regard, he tried to follow Watson's (1969) advice that "resistance will be less if the program offers the kind of new experience which interests participants" (p. 22). This is similar to Harrison's (1971a) guideline: "Develop confidence and credibility on the part of organization members through situations where the OD unit's unique expertise shows to best advantage" (p. 2). Such activities as the Confrontation Meeting at Dandenong and the offsite sessions held with the Council, Task Force, and Elizabeth were in part designed with this in mind. The use, in the latter three cases, of experience-
based learning was done in part because of the intrinsic value of these learning experiences, but also, frankly, in part because they indeed do offer new experiences that participants find interesting and they do show OD expertise to good advantage.

Relative advantage needed to be demonstrated rather than asserted. This happened first at Dandenong and later most persuasively at Elizabeth. The latter was one of those cases of "if you can do it there, you can do it anywhere." While much of what people were asked to do violated Watson's (1969) principle regarding the perceived reduction rather than increase in client's present burdens (for example, giving up weekends for long, hard meetings and scheduling extra meetings), the demonstrations of relative advantage balanced this out to some extent.

The author tried to demonstrate that OD was compatible with values presently held by acknowledging existing efforts and practices which were, in fact, compatible and by not claiming to have brought something altogether new from the great prophet in the West. Further, he could capitalize on the compatibility of OD values of openness, honesty, and teamwork with traditional Australian values of "fair dinkum" and "mateship." That some of this compatibility was in fact perceived was illustrated by the comment of the man from Elizabeth quoted on page 193 of Chapter VII.

One characteristic of innovations positively related to
their adoption is divisibility (Rogers & Shoemaker, 1971). This is the one criterion wherein OD has some advantage. It was possible, for example, to start a process at Dandenong without doing the same thing throughout GMH. Similarly, the Executive Council felt free to make a trial commitment to OD after Albury rather than a long-range commitment (although such long-range commitment was made later). Also, the action research strategies of both the Executive Task Force and Elizabeth, which employed small-scale trials, and Elizabeth's two-phase action plan are evidence of this divisibility of OD.

Most useful, then, in analyzing the impact of the nature of the change on the success of the launch strategy were models developed by Rogers and Shoemaker (1971) and Watson (1969)

The process

There are three general categories of process models of relevance to this analysis. One encompasses models of organization change, such as Lewin (1958), Greiner (1967), and Dalton (1970). The second are models of the OD process, such as Frohman and Kolb (Kolb, Rubin, & McIntyre, 1971) and Lippitt and Lippitt (1977). Third are models of adoption and diffusion of innovation such as Rogers (Rothman, 1974) and Havelock (1971). As discussed in Chapter II, models from each of these categories make useful contributions, but none
sufficiently integrates all the important variables. This still seems to be a valid observation when applied to the preceding case.

The phases described by Lewin (1958), Greiner (1967), and Dalton (1970) all seemed to occur in the case in the sequence described. As discussed in the "Client System" section above, for example, GMH and each of the key subsystems in the launch strategy (Executive Council, Executive Task Force, Dandenong, Elizabeth) felt the sort of pressure to change that Greiner and Dalton both identify as necessary starting points. Further, as in both those models, there was the intervention at the top of an outside agent. At the level of GMH as a whole, the author would have to be identified as that person. This would also be true for the Council and the Task Force. For Dandenong and Elizabeth there was more than one such agent. In the former case there was the new Plant Manager and two other new staff heads in addition to the author. In the latter instance, the new man on the scene other than the author was the Manager of Assembly Plants. Together these first two phases might be considered Lewin's "unfreezing" phase. The "change" phase then occurred, rapidly accelerating in the second 6 months (Time 2 to Time 3) and into the next time period. A "refreezing" may have started as Time 4 was approached, with institutionalization at the Executive Committee level becoming stronger and the internalization of the OD
specialist role. However, much change was still in the works and some critical changes scarcely begun. As the case has just been compared to the three-phase Lewin model, it can likewise be compared to the remainder of the Greiner and Dalton models. The reader who will test the case against Greiner's eight steps given in Chapter II of this study and Dalton's model (pp. 39 and 41-42, respectively) will find remarkable consistency between those models and the developmental phases of the case—at either the level of the entire system (GMH) or any of the entry subsystems. Even the degree of failure experienced with the Executive Council between Time 2 and Time 3 can be explained by putting the activities of this group into the context of the Dalton model. Such examination will show that there was not sufficient help or help of the right kind to bridge the gap for this group between Phases II and III of this model. Subsequent intervention by the second U.S. consultant almost had to start over at the beginning of this model for that group.

Such models are extremely useful, then. All, however, are cast from the point of view of the organization undergoing change. Missing is the point of view of the change agent.

OD models such as Frohman and Kolb's (Kolb et al., 1971) and Lippitt and Lippitt's (1977) remedy this to some extent. Both offer guidelines for change agents, and the Lippitt and Lippitt model, especially, is cast from the
consultant's point of view. In order to apply them to this case, however, they must be applied reiteratively to each subsystem. That is, the events of the case could be traced through either model for the Executive Council, for example, or any one of the other key entry subsystems. However, their usefulness is limited in two ways. For one, it would be very difficult to track the development of GMH as a whole in these models since never was the system as a whole nor the change agent's activities in one phase or another after initial scouting phase. That is a primary reason that the organization of the presentation of the case departed from such models after scouting and entry. The models no longer met the need for explanation or clarification. Neither do they, as a second limitation, satisfactorily meet the need of explaining or predicting the level of success, beyond suggesting that if the sequence is not followed to some degree, one may make the illogical sequential leaps found by Greiner (1967) to be a condition of failure. With respect to the first limitation, it may be that such models are perfectly adequate for outlining the sequence of a given change project. They may be less useful for describing the overall change process in a large system. With respect to their lack of predictive value, it must be said that such is not, in fact, the purpose of these models even though it is, in part, the purpose of this study.

Turning now to models of adoption and diffusion of
innovation, we find that both Rogers' model and Havelock's model (both given on p. 28 of Chapter II of this study) of the adoption process track with the case reasonably well. The action guideline from Havelock to carry out the Awareness and Knowledge stages by means of mass media was not followed in the case, however, and is often difficult to follow in OD practice because of the complexity and difficult communicability of the field. Attempts in other cases in our experience to thus communicate have either resulted in vast oversimplifications that lead to some of the hazards of inadequate understanding described during the scouting phase of this case or in such complexity that potential adopters are turned off. At this stage of the state of the art, potential adopters still seem to have to sample the innovation, even if it is no more than some exercises in the context of a seminar. Only the presentation to the Executive Council in the Boardroom could be considered a mass media approach in this instance, although an audience of about a dozen is not very mass.

Already discussed in the introduction to Chapter VIII is a modification of these models suggested by the case. In large system change it may be useful to include a diffusion stage after trial, and change adoption to institutionalization. The resulting process model would then have, accepting Havelock's basic framework for the moment, five stages: (1) Awareness, (2) Knowledge, (3) Trial, (4) Diffusion, and
(5) Institutionalization. (If using Rogers' model as a starting point, there would, of course, be six stages.) This seems to describe the actual process more accurately and may be more appropriate when the intent is fundamental change in the nature of a social system rather than the more straightforward adoption of a given innovation.

In regard to the diffusion stage, such authorities as Rogers and Havelock have much to contribute regarding the impact of individual opinion leaders and the need for change agents to work one-on-one through these leaders. Again perhaps because their focus is on the adoption of innovation by a social system rather than change in the social system itself, they say little about organized groups of such opinion leaders. Guidelines cited in Chapter II from Harrison (1971a), Beckhard (1969), and Shepard (1975) all suggest linking forces for change into networks, however. This was found a most useful approach in the GMH case and contributed in a major way to the synergy of the overall effort, one outcome of which was the rapid diffusion from Time 2 to Time 3, as shown in Figure 23.

The adoption and diffusion models, helpful as they are, nevertheless continue to focus on the point of view of the receiver of change. Further, as pointed out in Chapter II, they are still subject to the criticism of Chin and Benne (1969), that they cast the receiver in a relatively passive role.
Finally, in terms of process, the principles regarding "procedures in instituting change" (pp. 67-68, Chapter II of this study) suggested by Watson (1969) to reduce resistance to change can be seen to have been reasonably well followed in this case. They, too, would have to be considered useful, though without the value of sequential phases provided by some of the previously cited process models.

**Time**

Nearly all models dealing with the time phenomenon in system change state or suggest that such change takes a long time. This case confirms that. Two and one-half years into the process, one can still not say that pervasive change has taken place throughout the system. Nor can one say that sufficient improvement in end results such as profit have taken place to label the overall effort a success. In fact at Time 4, profits were way down as reported in Chapter VIII. To this extent, then, the Likert (1961) time lag theory is valid. Only continued effort over still longer time will demonstrate whether or not this model will ultimately stand up. In the meantime, of course, there are tangible intermediate accomplishments that were documented in the case, a consideration consistent with one of Beckhard's guidelines (see item 9, p. 40, Chapter II of this study).

A most useful insight relative to time, however, is
provided by the S-shaped diffusion curve reported by Rogers and Shoemaker (1971). As discussed earlier in this chapter with respect to process outcomes, the development of this case can, to some extent, be plotted along this curve shown in Figure 3 (p. 31) of this study with a very high degree of overlap. The slowly rising portion of the curve corresponds roughly to the launch period—the first 6 months. At about that point, diffusion began to increase rapidly and would fit on the most vertical portion of the curve. As attention turned, beginning at about Time 3, to managing and institutionalizing the process, the curve began moving more to the horizontal. At Time 4, it is believed, the curve is still on the rise but moving toward the plateau stage. (Implications of this phenomenon for the management of the change process will be discussed in Chapter X.) It is important to note, however, that the focus of this curve is on the diffusion of innovation in a social system rather than change in the system itself. Therefore, while the diffusion rate may have slowed somewhat by Time 4, the fundamental changes to be wrought in the system as a result of this OD process that has been diffused must still be considered far from a state of maturity.

Rogers' noncumulative bell-shaped adoption curve (see Figure 2, p. 29 of this study) also has some usefulness in analyzing the present case, as do the adopter categories shown in Table 1 (p. 30). The Dandenong Plant Manager, for
example, would be reasonably well profiled as an innovator, while Executive Task Force members and some other leaders of the earliest completely voluntary diffusion projects would fall comfortably into the early adopter categories. About the time the author was leaving (Time 3), requests for assistance were beginning to come in from some people believed to fit the early majority description.

Useful as these models are, however, they still are not completely satisfactory for purposes of this study since, again, they are designed to explain the adoption-diffusion process and not basic system change.

In general, then, we may summarize our analysis of existing models in explaining or predicting the level of success of the launch strategy described in the case by saying many existing models are most useful when applied to particular aspects of the case (change agents, client system, nature of the change, process, and time) in particular ways (e.g., from the point of view of the system, or in regard to adoption behavior), but none satisfactorily integrates all of these aspects or deals with all of the relevant variables. Moreover, the categories of our analysis (change agent, client system, etc.) are not such cleanly separated phenomena in a living process as such a categorization suggests. They in fact interact on one another, creating a systemic impact. This interaction effect among these critical variables is also not found satisfactorily in existing
models. It must be reemphasized that this is not intended as criticism of these models, since any one model cannot serve all purposes nor encompass all variables. Our intent here is simply to point out that there exists a need to develop an integrated model for use by professional change agents that will be useful to them as they try to initiate change in large systems. The development of such a model is attempted in Chapter X. The implications of this model for educational leaders, whether in schools, communities, or business and industrial organizations, will also be discussed.
CHAPTER X

A MODEL FOR INITIATING CHANGE IN LARGE SOCIAL SYSTEMS

Introduction

Allison's metaphor (Brimm, 1975), cited in Chapter IX, compared conceptual models to fishing nets which analysts drag through selected ponds at selected depths with the basis of selection being the nature of the nets themselves. The dilemma this poses for practitioners is caught in Brimm's comment: "While with unlimited resources, one could fish the entire pond with an array of nets, the practitioner normally must assess alternatives within the constraints of scarcity and choose a single course of action" (p. XI-5). In other words, the practitioner cannot cast forever among all the available models. At some point, he must "fish or cut bait."

To switch metaphors to one more familiar in the development of the present case, the practitioner may indeed measure 10 times but, at some point, cut he must. This study is aimed at the practitioner, the professional change agent. As Brimm stated: "His choice of conceptual model, either explicitly or implicitly accepting premises for innovative activity, critically determines the direction of organizational change efforts" (p. XI-1). It is the intent of this chapter to posit a model that a practitioner would find useful as a
guide for action for initiating change in large systems.

It may be helpful first to trace briefly how we arrived at this point. We began by reviewing existing models of change and related literature and concluded that a useful model for practitioners would include consideration of the change agent, the client system, the nature of the change, the process, and time. Six months of a detailed case history of an attempt at organization change was then presented as a participant-observer study in which the participant-observer was the primary change agent. Summary snapshots of the state of this organization change process at two later time periods were then provided. In total, 2-1/2 years in the experience of an organization change effort were described. The launch strategy used in the first 6 months was then assessed for its relative success. Finally, existing models as already reviewed were reexamined to determine the extent to which they helped explain or predict the level of success of the launch strategy. At this point we are left with a number of partial explanations provided by a number of models.

Brimm (1975) stated that the practitioner in his planning function finds himself with three sets of options when thus trying to cope with contending models:

1. An essential complementarity for action exists, either in a single activity prescribed by all models or the creative design of action which encompasses the directives of the models.
2. Model prescriptions for action demand either differing interventions or their application at different loci. While not directly conflicting, the alternative prescriptions each demand unique allocation of resources.

3. Model prescriptions are directly contradictory. The choice of one activity precludes, in its pursuit, the ability to pursue other remedies. (pp. XI-5-6)

Brimm (1975) went on then to deal with practitioner responses to those options, stating: "A first response may be the search for an integrative model... In other cases... a new model is proposed which endeavors to resolve the apparent contradictions of conflicting models" (p. XI-6). Finding, in our search, a lack of a sufficiently integrative model, we have chosen the latter response in the present case: the proposal of a new model. As stated in Chapter III, this model can be characterized as graphic, two-dimensional, nonmathematical, dynamic, and analytic. The primary criteria used in developing it were its usefulness and relative simplicity. Both criteria impose constraints on the number and complexity of the variables and their interaction that can be included; therefore, this model, too, must of necessity remain an incomplete metaphor for reality.

Following presentation and explanation of the model, implications for both practice and research will be discussed.

A Model

A concept of central importance that has developed from testing the case against existing models has been the
S-shaped curve derived from Rogers and Shoemaker's (1971) research on diffusion. As already pointed out, this was found powerfully predictive of what happened at GMH, even though the focus of this research tradition, in Sashkin's (1974) terms, is on adoptive change models and therefore does not sufficiently encompass the OD goal of increased system adaptive capacity. It appeared, however, that this S-shaped curve could be integrated with Lewin's three phases of change as viewed from the perspective of the client system. This is shown in Figure 24. As conceived here, what we have called the "rate of change" curve rises very slowly during the unfreezing stage of change, accelerates during the change period, and plateaus somewhat as the system refreezes into a new state. Thus the variables of time (both in terms of sequential phases and the rate of change), the process of change, and the client system have begun to be encompassed in the model.

Missing from most models, as discussed in Chapter IX, is a focus on change activity from the change agent's point
of view—most models, in fact, describing change from the system's point of view. A new formulation of change agent activity was thus developed that is believed to be more descriptive of what the primary change agents actually did in the case than either the OD models (Kolb et al., 1971; Lippitt & Lippitt, 1977) or the adoption models (Havelock, 1971, 1971; Rogers, 1962; Rogers & Shoemaker, 1971), but which indeed combined parts of both. This formulation consists of the identification of five major stages of change agent activity: (1) Scouting, (2) Entry, (3) Conducting Trials, (4) Managing Diffusion, and (5) Fostering Institutionalization. This, in fact, is what the change agent/consultants in the case did and roughly in that sequence, although there was clearly some overlap as, for example, some fostering of institutionalization began during the trial stage. Perhaps, on the other hand, it might be more accurate to say that trials were conducted with an eye toward future stages such as managing diffusion and fostering institutionalization. However, the primary focus of activity must remain on the particular stage the change agent is in at a given point in time.

These stages too, it appears, can be matched up with the S curve. Scouting takes place at the earliest and lowest level of the curve when, for all practical purposes, no change at all has occurred. The curve slowly rises at entry and at the stage when the change agent is conducting trials.
As it begins to rise more steeply, his major focal point for activity becomes managing—including staffing and maintaining the integrity of ongoing efforts—the increasingly rapid pace of diffusion. As the diffusion level begins to taper off, the change agent focus shifts again, this time to the fostering of institutionalization. The integration of the variables discussed thus far—time, the client system, the process of change, and the change agent—are shown in Figure 25. The lines between stages are dotted so as to indicate the absence of rigidity in these boundaries, reflecting that they primarily define focal points rather than exclusive activity domains.

It was important, however, that the model reflect the fact that the sort of change we have been describing in this study is not mere adoption of innovation. An example of such change in the context of management development might consist of an organization's adoption of Managerial Grid seminars. The model as thus far outlined might describe the spread of the use of such seminars in an initial pilot trial—after some selling—through to the participation of all employees in such seminars. While in OD we may want to make use of Managerial Grid seminars, our purpose is not simply to get everyone in a given system to attend. Our ultimate intent in terms of the state of the system is improvement in the optimization of boundary permeability and mutuality of relationships (Alderfer, 1976) or, more
Phases of System Change

I. Scouting
II. Entry
III. Conducting Trials
IV. Managing Diffusion
V. Fostering Institutionalization

Refreezing
Change
Unfreezing

Figure 25. S-Shaped Curve Integrated with Five Major Stages of Change Agent Activity.
generally, the adaptability of the system (Sashkin, 1974). Consequently, it was necessary to incorporate this intent into the model while recognizing, nevertheless, that adoption plays a part as well, particularly in early stages when it is important to get a trial of the OD approach somewhere in the system. Thus, in Figure 26, the state of the system is shown to be moving first toward a state wherein it is increasingly adoptive in the sense that it takes on the characteristics of systems that more readily adopt innovations (Peets, 1970; Rothman, 1974). This focus holds particularly through the stage of trial conducting. The managing of diffusion stage represents a transition, as there is still some focus on adoption, but as the OD process begins to penetrate more deeply in some subsystems and as change is becoming more a way of life for the whole system, the thrust is in the direction of "producing 'changingness,' a general state conducive to change" (Sashkin, 1974, p. 209). This is the sort of system Sashkin labels "adaptive," a system state that ought to be at a reasonable level of maturity at the point when the change agent's activity focus is on fostering institutionalization.

Further, the notion of an "adaptive" system "refreezing" appears incompatible. Therefore, the label for the third phase of "system change" has been revised to read "Continuous Renewal," a conceptualization more in keeping with the thrust of an OD approach.
Phases of System Change

I. Scouting
II. Entry
III. Conducting Trials
IV. Managing Diffusion
V. Fostering Institutionalization

Unfreezing

Refreezing

Adaptive System State

Major Stages of Change Agent Activity

Figure 26. Movement of System Change from Adoptive State to Adaptive State.
Thus far the model incorporates the client system variable through both phases of change and, now, system states. The change agent variable is included through the five major stages of change agent activity. The time and process variables are interwoven among all of the above dimensions as well as the S curve representing the rate of change. At this point it is believed the model is already useful in explaining the developments of the change effort described in this study. A missing variable, however, is the nature of the change. It also would be helpful to change agents if some guidelines were provided for each stage of their activity that, based on existing models and our analysis of the present case, would be predictive of success. Since the stated intent of this study was to posit a model for initiating change and, consequently, the detailed case data derived from the "launch" period, such guidelines are provided in the final model (shown in Figure 27) for the launch period only, which encompasses (1) Scouting, (2) Entry, and (3) Conducting Trials. (As a result of this emphasis on the launch period, the shape of the S curve becomes somewhat distorted in the final model.)

The action guidelines in the model can be seen to reflect previously cited models and related literature as well as the case experience:

Stage I: Scouting. Determining appropriate entry points through scouting (Kolb et al., 1971) for readiness
Figure 27. A Model for Initiating Change in Large Social Systems.
(Beckhard, 1969) would include use of Gleicher's formula, \( C = (abd) \times x \) (Beckhard, 1975, p. 45), as well as consideration of felt needs (Beckhard, 1969; Harrison, 1971a) and antecedent conditions (Dalton, 1970; Greiner, 1967). Establishing access to the whole system (Harrison, 1971b) was reflected in the case in the description of the outcomes of the first meeting between the Managing Director and the change agent. All of the guidelines in this stage contribute to helping identify and clarify the need for change and to exploring the potential for working together (Lippitt & Lippitt, 1977). This last consideration includes determining the degree of homophily with opinion leaders (Rogers & Shoemaker, 1971).

**Stage II: Entry.** The use of multiple entry points is advised by Harrison (1971b) and supported by the case. Wherever possible, this should be done through supportive (Harrison, 1971a; Shepard, 1975) opinion leaders (Havelock, 1970, 1971; Rogers, 1962; Rogers & Shoemaker, 1971). However, because powerful gate-keepers (Rogers, 1962) almost always exist at the top of the formal power structure, the top group in hierarchical systems needs to be one of the key subsystems (Beckhard, 1969) involved at least at minimum realistic levels (Harrison, 1971a; see also the present case, p. 145). Although contracting is a continuous process, it is most critical to build a solid contractual base at the entry stage (Kolb et al., 1971; Lippitt & Lippitt, 1977).
Stage III: Conducting Trials. Each trial involves a reiteration of the entire OD process (Kolb et al., 1971; Lippitt & Lippitt, 1977). This distinguishes the adoption and diffusion of OD from the adoption and diffusion of other types of innovations. What is being adopted, in other words, is a process, not a product, and an important intent of that process is to cause the system to become more adaptive. The importance of this distinction must be stressed.

The variable of the nature of the change, although relevant at earlier stages, is focused on in this stage. That OD does not stack up well as an adoptable innovation according to research-based criteria (Rothman, 1974) has been discussed more than once in this study. It would appear both from a review of the literature and an examination of this case that it is primarily through demonstration rather than assertion that some relative advantage can be shown. In this regard it is important to measure the results of these initial trials (Beckhard, 1969; Greiner, 1967) and to encourage the communication of both the process and the results to other parts of the system. In designing these initial interventions, it is also wise to look for opportunities in which "the OD unit's unique expertise shows to best advantage" (Harrison, 1971a, p. 2) and which can offer "the kind of new experience which interests participants" (Watson, 1969, p. 23). The entry interventions in the case support these guidelines.
The case further illustrates the value of building links between early trials and meaningful networks among early adopting opinion leaders. In addition to the support systems thus created for the continuing nurturing of the initial trials, these networks can be a powerful force for diffusion.

The implications of the S curve for staffing for diffusion are considerable. Given that the change agent has followed the guidelines to date, the model would predict that a burgeoning of activity is likely to take place soon and should be prepared for ahead of time. Great demands may be about to be placed on the OD unit and its resources stretched thin. It seems logical, then, to staff up for this eventuality, and to do it before getting caught up in the accelerating rate of change. In addition to the quantitative staffing issue, of course, is the qualitative one. In the case, the addition of three internal people occurred during the diffusion stage and training and development were attempted in the midst of considerable frantic activity. This was frustrating to all concerned. The management of diffusion would have been eased considerably had these men been on line and well trained before the steep rise in the curve. Research also suggests that, especially in a large system, the preparation for the diffusion stage must help the change agents develop a broad and flexible role set and the skill to select appropriate roles (Rothman, 1974). Such
preparatory staffing and training, prudent as they may be, may also be difficult to accomplish in practice, however. Gate-keepers may be most reluctant to allocate sufficient financial resources for this undertaking while the process is still in the unfreezing phase and the trial stage, before clear relative advantage has been demonstrated and before much diffusion has actually begun. Perhaps this model as well as Rogers' (1962, 1971) findings could help in the persuasion of such gate-keepers, although, again, demonstration seems to have far greater efficacy than assertion, even though that assertion may be backed up by data. In any case there is a dilemma here with which practitioners may have to deal.

Also illustrated in the case is the advisability when working in the trial stage of being alert for opportunities to build into these early trials maintenance mechanisms or instrumentalities (e.g., Executive Council, Executive Task Force, Elizabeth Business Team, Elizabeth Steering Committee) that will help with the fostering of institutionalization.

Additional guidelines can, of course, be gleaned from the literature; however, the above represent those most strongly supported in this study through both the review of existing models and analysis of the case.

As a final note in positing this model, it must be pointed out again that all models must of necessity leave some things out. The most important matter left out of this
model is the extremely dynamic nature of change. While the model can, in fact, legitimately wear the label "dynamic" because it shows movement and the interaction of multiple forces, the actual process is always more dynamic and less neatly captured in two dimensions than this or any model would suggest. Even planned change is always messier than shown, resulting in truncated S curves here, misshapen ones there, and both fortuitous and unfortuitous events everywhere. As a result of this messiness, it is also, of course, more exciting to be a part of than could be captured by any model.

Implications for Practice

In Chapter III, it was stated that the intent of the model was to be helpful to change agents and that a major criterion used in developing the model was its usefulness. It must be judged, then, in terms of its usefulness to change agents, especially those attempting to initiate change in large systems. They may wear a variety of hats—e.g., consultant, trainer, teacher, curriculum development specialist, community school director, social worker. (The emphasis, it can be seen, is on roles without direct line or sanctioning authority, although on the face of it the model would seem to possess considerable fit in the case, for example, of a line manager who is attempting to bring about the sort of change encompassed in this study.) They may work in many
different types of systems—e.g., plants, corporation staffs, schools, governments, communities. It is hoped that those in any of these roles in any of these systems, if they are functioning as change agents, have already found useful implications for practice in the model and the analyses leading to its development. The action guidelines, for example, should already have strongly suggested implications for practice.

Two elements of the model are especially designed to make it useful uniquely to change agents in large systems. In the first instance there was the conscious attempt to cast the five stages in terms that reflect the change agent's point of view rather than the client system's and to include the action guidelines. In regard to large systems, there is substantial emphasis on searching out and working with key subsystems. This is particularly evident in the identification of Stage III: Conducting Trials; and Stage IV: Managing Diffusion. This may well not be an appropriate approach in smaller social systems where, for example, a more focused, homogeneous process may be more suitable.

These unique features limit the generalizability of the model, of course, as do the limitations inherent in the research procedure from which the model was derived (see "Scope and Limitations," Chapter I). A strong caveat must be observed by the practitioner regarding acceptance of the validity of the single case metaphor for a larger reality.
particularly considering the potential impact of participant-observer bias in perception and documentation of the case, analysis of both the case and existing models, and the development of the model itself.

Given these limitations and caveats, it is nevertheless hoped that useful inferences may well be drawn by other change agents in other systems. If the model is valid, curriculum development specialists may well want to give careful consideration to obtaining trials of curriculum innovations by supportive opinion leaders. Social workers may want to give attention to how, where, and with whom to demonstrate the relative advantage of good nutrition. Regional centers established to foster community education may want to examine the feasibility of building networks of supportive opinion leaders for trial and diffusion while planning ahead for the staffing problems likely to occur when the diffusion rate accelerates. And all of the above must ask whether adoption is all they seek or if they want to develop more adaptive systems. If the latter is the case, the model suggests that a process such as the OD process must be used.

It is believed that the model meets the stated criteria of accurately explaining observations of the system studied, predicting reactions and outcomes in that case, and providing insight and understanding of what happened in that case. It is further believed that it does so with relative simplicity while at the same time integrating a number of important
variables. It is hoped and hypothesized that it fits other situations as well. That hypothesis, however, needs to be tested by a variety of practitioners in a variety of settings. It also requires further research.

Implications for Research

This study, as expected, raises some interesting possibilities for further research.

(1) Admittedly, the analytical net dragged through the pond of the case was biased. It could prove fruitful for investigators to subject the same case to further analysis using other existing models or to develop new models based on differing perceptions of the case data. It may well be that other models may more accurately and clearly explain and/or predict the developments described. Brimm's (1975) study represents an outstanding example of this approach.

(2) The model could be tested in other settings using the case study approach by other participant-observers. Especially helpful, however, might be cases in which the model was followed, but which are documented and analyzed by nonparticipant observers. In any case, despite the limitations of this sort of study, the value of accumulating a rich store of clinical data should not be underestimated. Sufficient single N studies can form a multiple N.

(3) Certainly the model should be tested in other settings using more adequately controlled research designs of
an experimental or quasi-experimental nature. This may be done with the model as a whole or with specific aspects of the model. An example of the latter would be to test the hypothesis that the use of multiple entry points is more efficacious than a single entry strategy or that linking of opinion leaders into networks leads to greater diffusion than not doing so. Moreover, the present study and model focus particularly on the first three major stages of change agent activity—the launch period. While the entire model requires further testing, some focus on the latter two stages, managing diffusion and fostering institutionalization, could be especially fruitful.

(4) Especially striking was the lack of hard research into change agentry. Outside of the adoption/diffusion research tradition, scarcely any was found, and Rothman's (1974) exhaustive review turned up little even here. On the other hand, there is a plethora of advice to change agents on how to behave and much time and money presently being spent on training the growing brigade of internal consultants (Lippitt & Lippitt, 1977) in how to follow it. It would seem worthwhile to conduct research on some of that advice.

In general, this study represents an attempt to contribute to some answers to Guest's (1962) "simple question": "Who does what, when, where, how, with whom, and how often?" However, it can still be said, as Guest stated, that it has not been asked enough.
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