

# High Engagement Organization Design

*By Paul D. Tolchinsky and Lothar Wenzl*





Much has been made of the failure rate of change, including restructuring efforts and the lack of true engagement on the part of workers around the world. The conscious creation of organizations has never been more important. How people are organized, deployed, developed and inspired at work is an ongoing challenge for leaders everywhere.

Yet the data is quite clear: Three quarters of the world's workforce are not committed to their organization, and the numbers are not getting any better (Towers Perrin: *Global Workforce Study* 2008, Towers Watson, 2012). Only 8% of restructuring efforts are successful in the time frame set (*McKinsey Worldwide Survey*, 2010); 14% were horrible failures; and the number one implementation issue was the speed of ownership and commitment (*McKinsey Worldwide Survey*, 2010).

The case for a different approach to organization design is clear. Organization design changes touch on the most sensitive aspects of human lives, and organizations must execute these efforts more quickly with higher rates of success.

What if leaders and staff could co-create their organizations in ways that motivated, committed and inspired everyone to new levels of satisfaction and productivity. While most of the literature focuses on the "what" of organization design (solutions, hierarchy, bureaucracy, etc), focus can be on the "how": How to engage the whole system; how to move quickly and completely from one organization model and form to another; how to build and maintain relationships within and across organizational units; and how to overcome the number one reason for failure in design efforts, the ownership and commitment of those who must execute the new.

Large Group Methods offer a unique way to both design and redesign the organization, while simultaneously engaging all of the key stakeholders in the process. Holman, Devane and Cady (2007) have documented numerous approaches to engaging large groups in organization change efforts. These include Open Space (2008), Future Search (2010), Real Time Strategic Change [RTSC] (1995) and Whole Scale Change (2000). Open Space is the most unplanned of the

methods. A rough agenda is laid out, an issue is identified to be solved and people come together. The whole of the meeting is self-organized and self-directed. Facilitators simply act as moderators and convenors, with participants determining the direction, real-time. RTSC and Whole-Scale Change are more structured, following a set of guidelines and a planned, predetermined agenda. Both are primarily used in strategy development and deployment across large groups. For a comparison and better understanding of these, we would refer the reader to [www.largescaleinterventions.com](http://www.largescaleinterventions.com) or Tonnie van der Zouwen (2011).

None of these methods address the issue of how to bring the "whole-system" into the conversation and the decisions that need to be taken regarding the organization of the organization itself. These methods are primarily focused on aligning and deploying strategy, vision and mission. An alternative is to take the principles underlying these methods and apply them to organization restructuring efforts. When those most impacted are engaged in the decisions ownership, commitment and speed of adoption will be achieved. Our idea is to build on the foundations laid by these early pioneers, and

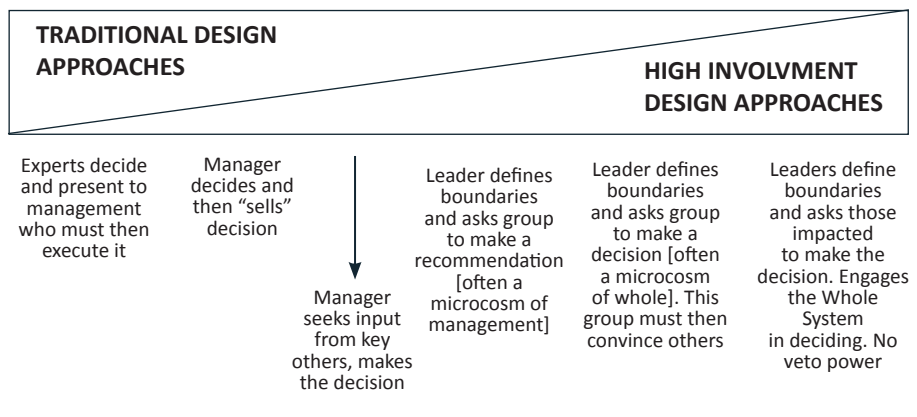
apply them in face-to-face and virtual organization design deliberations.

## The Choices Leaders Have in Designing

The choices are clear. The criteria for deciding which approach is best, in any particular situation, are not always easy to find. If speed is critical, and a fully implemented solution is needed, high-involvement approaches are very effective. If ownership and commitment are not essential for success, then a more traditional design approach is sufficient.

Several years ago, an organization was given one year to transform itself. The clock began ticking on October 1, and the launch date for a re-organized, rejuvenated organization was set for exactly one year later. The leadership team determined that the re-structuring itself (moving the boxes and reorganizing) would be quite easy. The challenge was to have all 450 employees aligned and ready to go, emotionally and intellectually, one year later, in a situation where 30-50% of their job content was likely to change. Over the course of six months, the whole community

**FIGURE 1: THE CONTINUUM OF CHOICES IN DESIGNING THE ORGANIZATION**



came together, first face-to-face and then virtually, to redefine the core business, understand the customer's needs and define a new organization. There were huge debates, loads of options, and together they defined an end in mind. Everyone was involved in the process, which is very rare. In nine months, they agreed to new solutions and spent the final three months preparing themselves and their systems to make the transition. On 1 October, one year later, they launched their new organization and had it fully operational by year's end. They exceeded all targets, lost no one in the process, and had solutions that amazed even them.

Another example comes from an Austrian company of 1,500. Over the course of two years, the whole management system and a microcosm of employees were engaged in redefining and clarifying roles, responsibilities, processes and lateral relations. The project was not driven by any threat or massive environmental shift. It was driven by leaders who simply wanted to continuously re-examine what and how they did work. The process ensured high involvement and transparency over time and built a critical mass in the direction of the change. When the final decisions were made, many of the changes had already been fully implemented. Over the course of the project, the change consultants worked with approximately 10% of the entire staff (more than 100 employees, managers and leaders), often in large groups (everyone in the same place at the same time) and small groups (3-4 groups

simultaneously with 20-30 staff, representing a diagonal slice of the system).

At a division of a large American bank, nearly 800 staff were impacted by a technology change. The implementation of a new IT software system dramatically altered the job content of 50% of the staff, streamlined operations and impacted four-to-five different operations. Over the course of the restructuring, the design process engaged more than 500 employees in a series of facilitated design sessions and town hall meetings. Event Planning Teams (EPT) set up and attended Facilitated Design Sessions (FDS). (See Figure 2: FDS is pink in this picture; three (among four in total) are represented by this "project plan.") Each FDS engaged approximately 175 staff members, customers and suppliers. Town Hall meetings occurred after every FDS, in smaller groups, on-site at the various locations. For continuity, 25% of each session was made up of those attending one of the previous sessions.

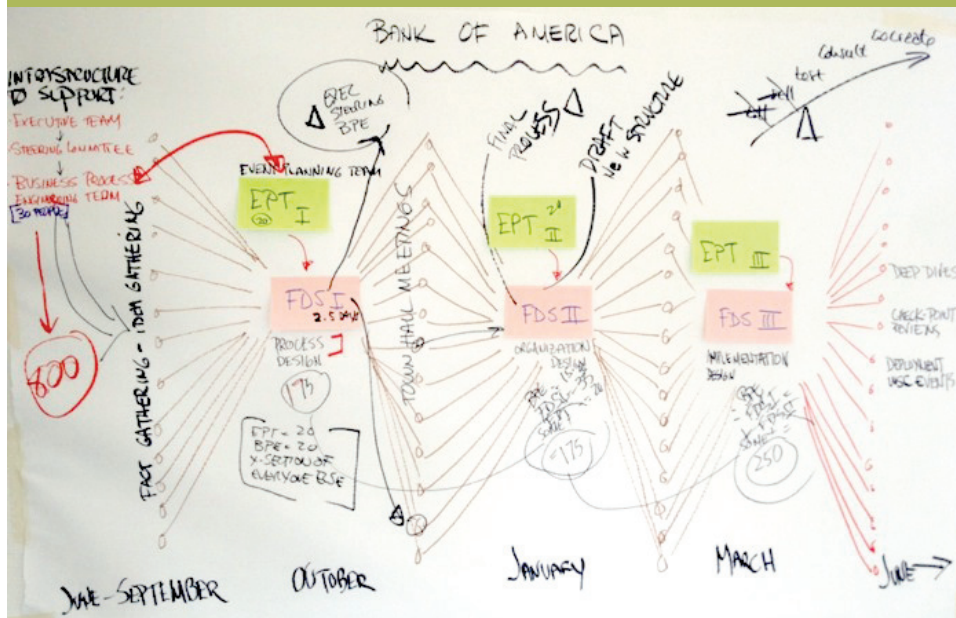
While the consultants never engaged the whole system in one large group session, they did build critical mass for the redesign such that everyone impacted had a say in the final results. (See Principle 3: Design Is a Journey, Not a Destination in the next section.) More than 500 leaders, managers and staff participated in all or a part of the decisions that shaped their futures.

## Principles and Practices

**Begin with the End in Mind:** We strongly believe that whenever we start a process we need to know what we want to have created when we have completed the task. What will be the cognitive and emotive state of an organization when it would be ideally designed? This doesn't focus as much on goals or KPIs; it's more about the Preferred Future, which describes the desired collective behavior at the end of the process. The clearer this is, the easier it gets to go for it. Redesign work begins with engaging a diagonal slice of the stakeholders (sometimes customers and suppliers, always managers, executives and staff) in defining a future everyone can get excited about. In the examples provided, the design process begins by engaging a critical mass of impacted individuals, either in face-to-face or virtual settings to create an image of the end in mind. Sometimes it is a picture, often a set of principles or criteria to achieve, and always it is an aligning activity. The process is to ask what will be different as a result of the re-design, and collect this information from the broadest cross-section possible. In the example of IBM (in the next section), this could engage thousands. At HCL in India, it begins with 50,000 and takes three months to cascade and touch everyone.

**Engage as Many Microcosms as Possible:** New strategies for designing organizations must engage stakeholders of all types in the process. Today, these include customers, suppliers, staff, trade unions, works councils, investors and even governmental agencies. The largest microcosm is obviously the whole system, and this is often impractical and even unnecessary. The critical issue is building sufficient momentum in support of the decisions. Knill Energy, a family-owned business in Austria, merged two businesses over the course of eight months. The leadership team did much of the strategic thinking and set the framework. Its decision was to engage a critical mass of the staff in finalizing and implementing the new organization. Every four to six weeks, a microcosm of the whole participated in what was called "Resonance Sessions." These were intended to shed light on the leadership's thinking, validate ideas, provide critical and appreciative feedback and, ultimately, build commitment on the part of those attending. Over the course of the redesign, nearly the entire staff and all of the management system had an opportunity to provide input

FIGURE 2: FACILITATED DESIGN SESSIONS, BANK OF AMERICA





and influence the decisions. When implementation took place, no time was lost securing the buy-in or performing “change management” activities. Another example is more virtual. IBM [Shell Oil, HCL in India, and others] employs a tool called a Jam. It is IBM’s online approach to large-scale collaboration for business and social impact. By invitation, online collaborative discussions [on a multitude of topics, including organization design issues] are convened for audiences ranging in size from a few thousand to hundreds of thousands. These events [think of them as organization design deliberations] occur over a defined

requires that people share and compare. Organization design entails exploring alternatives and divergent thinking; you cannot create what you cannot imagine, and a design activity should begin with divergence and then move to convergence.

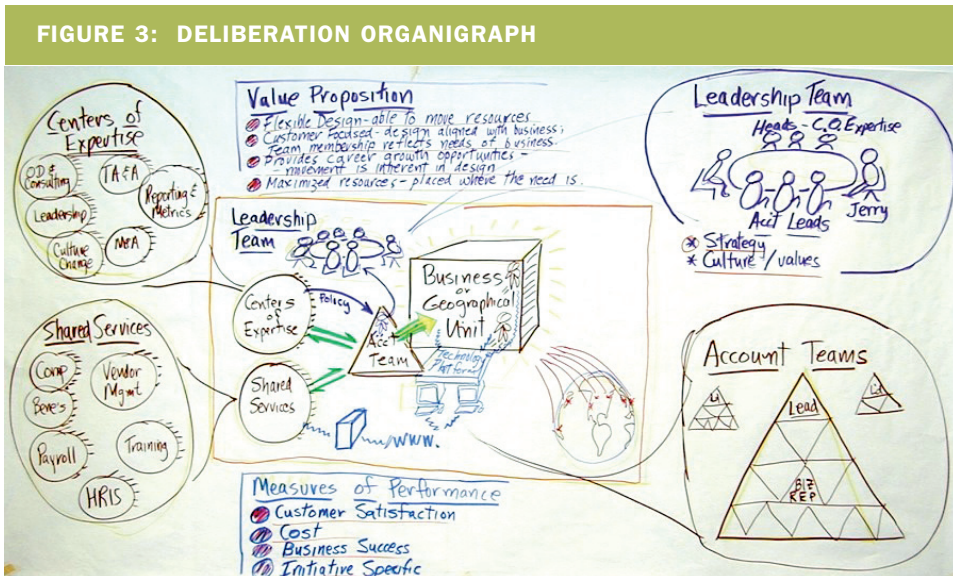
As another example is a client that took a microcosm [maximum mix] of its system on a “Learning Journey” to discover the best of the best from other companies. In many ways, this learning journey, organized like a benchmark visit, enabled people to explore alternative ways of organizing, creating divergent thinking amongst the group. From

organization must reach out to people to continually expand the circle of involvement. With Bank of America, a large group meeting of all 800-plus impacted did not happen. However, nearly everyone was engaged in the process. Each face-to-face in a large group was followed up with smaller group sessions across the system. Everyone got to comment on all of the outputs and help shape the next inputs. These constantly changing sets of microcosms carry with them the seeds of change and bring the whole system together. Bank of America was able to involve everyone by the time the change journey was done. At each opportunity, they included new people. To maintain continuity, they were always careful to ensure that each max-mix included some individuals who had participated in previous activities as well. Underlying the principle of the critical mass is the notion of connectivity.

It has been shown that you can shrink organizations by looking at the numbers of connections people have to each other. Like the movie *Six Degrees of Separation*, research has shown that each of us in organizations is connected to everyone else in the organization through a series of interpersonal relations (*Business Week*, June 1999). Even in the largest organizations, people who do not know each other are connected by fewer than three to five people. (Excerpted from *Whole-Scale Change: Unleashing the Magic in Organizations*, 2000.)

**Design Is a Series of Loops, Not a Line:** When we talk about change processes, we never think about a line that directly leads to planned result. This works with machines but not with living systems like people or organizations (von Foerster, 1984). Whenever social systems are involved, one needs to take into account that these organisms are self-willing systems following their own patterns of how to create sense and engagement and how to construct their realities within (constructivistic principle). That’s why there is a need for constant and ongoing dialogue to discuss and interpret the relevant information created in the system: emotions, facts, results, behaviors and patterns shown in the organization. Therefore, it is a loop of communication flows instead of trivial input-output correlations discussed in different settings of all sorts of microcosms, management teams or large groups. In high-engagement design, there is continuous iteration. The process is to discover, dream, decide and do, and have participants discuss, reflect, discuss again and then act!

FIGURE 3: DELIBERATION ORGANIGRAPH



period of time to capture the pulse of the group or to solicit specific ideas to critical business or societal issues. Jam Hosts and facilitators guide participants to build on each other’s ideas—supporting a meaningful exchange of perspectives by a focused audience around a shared topic. Real-time text analysis and data mining are used to highlight emerging trends and distill actionable results. Over the course of one or more weeks, design solutions emerge and the whole system aligns and agrees (Pietrzak, European Organization Design Conference, 2013).

**Design Is a Journey, Not a Destination:** In our work, large groups of employees engage in a series of structured dialogues. Not everyone goes to every destination, and yet everyone goes on the journey! This includes the use templates and wall charts, hung on the walls and strewn around the room, to enable groups to share their thinking and “talk” to one another. High engagement

there, the group developed objectives and goals for their redesign. These objectives become the design criteria for creating a converging solution.

Figure 3 is an organigraph developed as a part of a large group organization design session. This is one of several alternatives created. The journey described in this organigraph is how the organization would operate in the future. Each representative developed a word-picture, first diverging and considering, and then capturing the best and most interesting ideas of the group. Employees from each group then told the “story” of their new organization in vivid and graphic detail. Each story brought both converging thinking and energy to the new design.

**Build Critical Mass for the Design:** Throughout any organization design process, microcosms of the organization engage in activities in a way that creates a hologram working together as a part of the whole. The

The path to the solutions is never straightforward.

## Conclusion

So what is the point? The data is clear; old ways of managing change and engaging people are not working. Organization design efforts are no different, rates of failure in organization design projects remain high. Employees are more disenfranchised than ever. Everywhere, organizations and their environments are becoming more complex.

A different path is needed—one that embraces those who will be touched by the redesign and, at the same time, acknowledges the complexity of the choices. The parts are too interdependent today to work on only one part at a time. High engagement in the design process is the best way forward. While it might seem on the surface high risk-low reward, it is in fact neither. Planned and organized large-scale dialogues can take place quickly, efficiently and with high-quality solutions that a critical mass of stakeholders can support.

What is different from the Large Group Methods mentioned at the beginning of this article is that each of these presumed, or encouraged, “getting everyone in the room.” High-involvement design does not. It seeks to leverage opportunities—whether they are meet-ups, Google hangouts, jam sessions, on-line chats or small groups face-to-face—to engage the whole in rethinking how to organize and to tap the energy and wisdom of the whole system.

While most of the examples cited here are face-to-face, more and more design work will be done virtually via the Internet. People can be engaged across continents and time zones, in real dialogue, on how best to leverage the whole, and assure interdependence where it is required, by simply replicating the pioneers of large groups and taking the design discussions to a higher level. When managed and moderated with guiding principles in mind, high-involvement approaches to design address the underlying human system, change management issues, while simultaneously addressing the specific structural and process issues driving the redesign. **P&S**

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