

ITORP

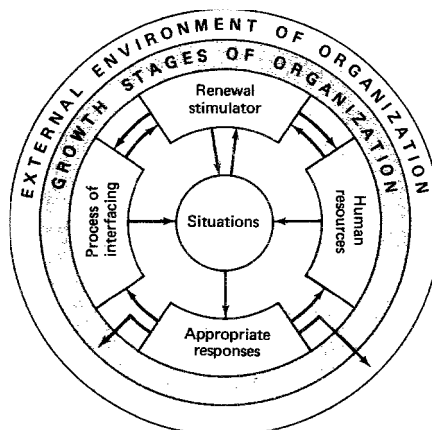
implementing the organization renewal process

The turbulence faced today by organizations is caused as much by the increased complexity of their functions as by revolutions in our contemporary society. In addition, predictable strains are being exerted on organizations by more dynamic interrelations and increased interdependence among government, industry, communities and education. These multiple forces must be met with a process of organization renewal, adaptation and planning for change.

Recognizing that renewal is a requirement is not the same as having the capability to initiate such a process. During the past two years, the authors have tested a model and a method for helping organizations in this respect — and we have called it *Implementing The Organization Renewal Process* or ITORP.

We feel that the key element in organization renewal is the ability to *respond appropriately* to situations. Such response is in fact appropriate if the action taken results in all four of the following:

1. Optimizes the effective utilization and development of the *human resources* in the organization;
2. Improves the *interfacing process* on the organization;
3. Contributes to the *growth* or the organization;
4. *Is responsive to environment* in which the organization exists. A conceptual model portraying the interdependence of these different factors in organization renewal has been presented in Figure 1.¹



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It might be helpful to define some of the key concepts in this model:

Human resources refers to the individuals, pairs, groups and larger units of persons in the organization that need to interrelate to achieve multiple goals and human potential.

Interfacing is primarily a process by which human beings confront common areas of concern, engage in meaningfully related dialogue, actively search for solutions to mutual problems and purposefully cope with these solutions. Interfacing may also involve the confrontation between human beings and machine processes or technological systems.

Organizational growth refers to the concept that organizations are complex organisms that have a life cycle, with stages of development commencing with birth and progressing through survival to later stages of maturity.

Environmental response refers to the relevance of a situational response to external forces, factors and influences that are affecting the existence and growth of the organization.

Let us examine these concepts as they apply to ITORP.

ENVIRONMENTAL FORCES

We have little or no influence over some of these environmental forces. They affect organizations in dramatic ways. Government officials, industrial managers and professional men and women are well aware that our society is now involved in a real *revolution*. This word — revolution — should not be and is not used loosely here.

By revolution, we do not mean change brought about by violence, but rather, bringing about change at a considerably more rapid rate than might normally be expected. The youth “revolution” is not a fad. *It is a revolution*. The “revolution” of the inner city and minority groups is not a fad. *It is a revolution*. The political “revolution” is not a fad. There is a technological revolution and a

moral revolution. Undergirding all these and causing many of us to find it difficult to initiate change in our organization, is one which we call the *anti-authority revolution*. People, young and old, are no longer accepting direction, advice, wisdom or guidance from others just because they are older or more educated, or because they have college degrees, or are in managerial positions. People are more independent of, and impatient with, any form of authoritarianism.

Such lessening of the acceptance of authority of organization managers, leaders and professionals is creating a need to understand the *process of organization renewal*.

This suggests that the responsibilities of those having authority are partially rooted in being responsive to the need for change. Every organization, as it grows larger and matures, has to take on a form and structure for purposes of perpetuation, standardization, predictability and efficiency. But organizations change slowly and reluctantly *because* they tend to get locked into form and structure.

NEED TO LESSEN DISSONANCE

Meanwhile, within and without the organization, values, feelings, dynamics and forces are changing. If these are multiple and pronounced, a large gap exists between the organization's form, structure, policies, products and services — and its changing internal and external world.

If the gap is too great, more or less violent attempts are made by some to tear down the form and structure. The problem for organizations is how to stay "in turn with" the changing internal and external forces so as to lessen the dissonance. If successful, the organization is flexible and viable, and responsive to its environment and to its times.

We should always start the process of change as soon as possible. Why wait for pickets, lawsuits by citizens, high turnover of professionals, rejection by the youth of an organization or community

and other manifestations of crisis? Why not begin the essential process of evaluating and revising the form, values, structures, technology and human processes of organizations?

Often we hear our employees, associates and ourselves commenting:

- "You know, we don't have the spirit of excitement we used to have when we first started the organization."
- "Why can't managers be creating and be more interested in our success?"
- "Why are our employees so apathetic?"
- "Why can't the different work units in this organization work together?"
- "This organization just doesn't seem to be relevant to the problems of today's society."

Such sentiments are an expression of the feelings of people today relative to their desire either to be a part of an organization that is "with it" — dynamic and renewing. If not met, they will take their interest, money and motivation somewhere else.

CHALLENGE OF THE 70's

The challenge for today's organization leaders is whether they have the capability, resources and skills to bring about the organization renewal that will be required to meet the challenge of the 70's. As John W. Gardner suggests:

"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."²

Success in organization renewal will not come about by good intentions, platitudes or even frenetic activity. It will come about when there is an understanding of where an organization is at the present and what it wants to become — *and an understanding of how to get there*.

"Organization renewal requires that change be preceded by a self-study process relating present functions and potential resources to the needs and characteristics of the people who operate the organization as well as to those who the organization will service. It also requires that those affected by the change be involved in the self-study process. They must believe that

their views will have representation and that management intends to follow its study by changing existing parts of the organization, as well as extending beyond current organization boundaries."³

In the ITORP sessions conducted with organizations, we have found it imperative that the people involved have a frame of reference by which to analyze their goals and needs. Relating the basic management processes to the different stages of organizational growth is an essential step in the initiation of organization renewal. Most organizations have the potentiality of moving from creating to maturity. Let us examine those stages.

UNDERSTANDING THE GROWTH POTENTIAL

If renewal is to become a reality, organization leaders must confront their present stage of functioning. In other words, it is essential, in the first session of ITORP, that they analyze the stages of growth through which their organizations have passed and that they relate these stages to fundamental management functions.

The first stage of growth is the *creation* of a new organization. Many organization leaders have lived through the birth of their organizations. It took some risks and frustrations to get an organization started in a new field.

Soon after comes the second stage — *survival*. Everyone had to sacrifice to make it possible for the organization to continue to exist. New services and employees were needed. A set of guidelines were developed. The first board of directors were elected. The organization hired its first professional specialists.

Many organizations are in their third stage of development — *stabilization*. At this stage, management must know how to organize — how to set up job functions, prepare organization charts, establish effective communication networks with employees, creatively compose boards of directors and all the other things necessary to maintain an organization. Many organizations stay at this level of growth. At this stage many ex-

ecutives spend most of their time immersed in administrative details – personnel problems, reports, job descriptions and so forth. Their organizations have not moved on to the fourth stage – *gaining a reputation and developing pride* – because they have not had the courage to review and evaluate what they have been doing.

The American Society for Training and Development, for example, recently discovered that today's challenges are quite different from those that existed when the association was formed twenty-five years ago. Last year the society established a task force called "Project Twenty-Five," to evaluate its relevance. From a membership survey and a subsequent study, the task force found out that the organization was not felt to be relevant to the problems of many of its members.

The fifth stage – *the achievement of uniqueness and adaptability* – is rarely reached by an organization, because this requires the leadership to see whether or not it needs to change plans, programs and activities to become unique. Most organizations do not take the time or effort to accomplish this objective.

ASTD found it had to revamp its constitution if it wanted to begin moving in the direction of this stage. The "Project Twenty-five" task force found certain parts of the membership were not represented in positions of influence. To become a member of the board, a person came up through regional and national offices. The task force found that under such a system, members under thirty-five, women and minority groups were not represented on the board. At the annual conference in 1969, a resolution was passed revising the constitution to have three board members elected by the board to represent these parts of the membership.

Another example of a group achieving the fifth stage is a large national organization that looked at its programs and services to young people as a part of the process of organization renewal. This organization found that its program for

activities, membership and building was serving only one part of the youth population – those in suburbia. This organization has now begun to revamp its direction and its goals as a result of having taken a critical look at itself.

Finally, we come to a sixth and final stage – *contribution* to society, to the industry or profession of which the organization is a part, to the community and nation of which it is a part. This stage is the epitome of the challenge of being relevant today. It involves social responsibility.

Related to this stage of growth is a recent study of 1800 graduates from Wharton Business School. It was found that the first and most important reason these young M.B.A.'s gave for working in their present organizations was whether or not that organization was relevant to the society of which it was a part. It is our thesis that any organization that reaches maturity will have as a key element in that maturity the ability to be socially responsible and to contribute to the larger society of which it is a part.

REGRESSION AND STAGNATION

These six stages of growth do not come about automatically, nor does it mean that once the organization has achieved a particular stage it might not slip back into an earlier stage. For example, an organization at the fifth stage can slip back to the need to survive, the second stage, if a competing organization comes into existence or a crisis hits a particular industry.

The majority of organizations today are stagnating at the third stage. Not a few of these organizations are being choked by paperwork. One of the leading scholars in organizational theory and dynamics says organizational stagnation is directly proportional to the increase in paperwork. Many managers today are so busy with details that they don't have time to think about future plans and organizational adaptation.

We have also found that implementing organization renewal requires the devel-

opment of skills in confrontation by those inside an organization. Organization change can best be brought about by internal confrontation of situations by those in the organization, rather than awaiting external confrontation by those who may have little concern for long-range growth.

DEVELOPING COMMUNICATIONS

The second session of ITORP recognizes that the process of organization renewal requires three phases: (1) confrontation, (2) search and (3) coping. One hears a great deal today about confrontation. Students are confronting the university; civil rights leaders are confronting local communities. But housewives also confront the lack of a stoplight near a school. People confront the chopping down of redwood trees in California. Confrontation today is part and parcel of our way of life. Organization leaders should not expect these confrontations to go away. They probably will increase.

Nevertheless, confrontation can be a very valuable thing. A manager cannot change his organization or his way of doing his job unless he confronts the present inadequacy of the organization and his own personal need to improve.

The process of renewal requires awareness, self-development and organizational change. Each of these, in turn, require confrontation. Leaders must confront the fact that they are not always aware of the needs of employees, operating situations, youth groups, clients, environments and external forces.

Organization renewal does not occur unless the manager also confronts his own need to improve as a leader of others. Confrontation means facing up to reality. It means "seeing it as it is." It means looking at things through clear glasses rather than rose-tinted or dark-tinted glasses. But confrontation is not enough to bring about awareness, self-development or change. It is only a beginning.

Many leaders, however, feel that if they have *confronted*, their problem is solved – and that they have *coped*. This

is not necessarily true. It usually is necessary for people to *search* for ways to work on the process of understanding each other, communicating with each other, solving problems, making decisions, planning new activities, programs and ways to get people appropriately involved. It is the search for unique and innovative ways to solve mankind's problems. Search is the key to whether or not coping will take place, because coping means something more than just decision-making or problem-solving. Coping means confronting a problem and searching for ways of working on it — and from working upon it, learning how to solve more problems, similar problems and new problems.

In the second session of the ITORP program the participants are given an opportunity to confront their own skills in individual, group and organizational situations. In organization renewal work sessions they are given an opportunity to analyze group behavior factors and introduce the element of teamwork for further development throughout the organization. In groups of three, the participants dialogue with each other about their own personal goals for improved skills in confrontation. In addition, the reality of intergroup confrontation is experienced in competitive group task situations.

DEVELOPING ORGANIZATIONAL TEAMWORK

Organization renewal, then, comes about through the process of confrontation, search and coping. But with whom do we start? One place to start is by building a network of functioning groups in the organization. One group that will need to demonstrate teamwork is the executive group at the top of the organization. By diagnosing factors affecting their teamwork on a weekend or at an extended meeting, the management group can assess strengths and weaknesses, while taking a look at communication, utilization of financial resources, utilization of manpower resources, creativity and social responsibility. These things need to be confront-

ed openly to find out where the organization is *now*.

Managers may be surprised to find that in some areas they are more advanced than they thought. They may also be startled to find that their organization is only in the early stages of growth — and not, as they think, achieving success and maturity. Through such weekend conferences, leading executives of many companies all over the country are beginning the process of confronting the need to become relevant to society through improvement in their own teamwork.

In addition to the top executive group, it is desirable to build teamwork that will make it possible for all functional groups to work effectively together, for project groups to relate effectively and for professional specialists to build a cohesive work unit that will contribute to the organization growth and goals.

ELEMENTS OF TEAMWORK

There are ten key elements of teamwork. These elements of teamwork are not easily arrived at, but they are excellent targets for any manager to work toward as he develops the various sub-organizations, including committees, staff and task forces that are set up to get work done:

1. Teamwork requires an understanding and commitment to the goals of the group.
2. Teamwork requires the maximum utilization of the different resources of individuals within the group.
3. Teamwork is achieved when flexibility, sensitivity to the needs of others and creativity are encouraged.
4. Teamwork is most effective where shared leadership is practiced.
5. Teamwork requires a group to develop procedures to meet the particular problem or situation.
6. Teamwork is characterized by the group's ability to examine its process so as to constantly improve itself as a team.

7. Teamwork will best take place when the climate of the organization is encouraging and defense-reducing.
8. Teamwork utilizes the appropriate steps and guidelines for decision making in the solution of a problem.
9. Teamwork requires trust and openness in communication and relationships.
10. Teamwork is achieved when the group members have a strong sense of belonging to the group.

Through instrumentation and process observation, the ITORP program enables groups to analyze their position with respect to these ten essential elements of teamwork. By this analysis, the group is able to set goals for improving their teamwork in those areas most in need of change.

We have found that in implementing organization renewal, effective group action at *all* levels in the organization will help strengthen the "psychological contract" of the individual and the organization. In the face-to-face work unit the individual can still be important and influence change in the organization.

COPING WITH CHANGE

The fourth important area of learning for implementation of the organization renewal process is the skill to analyze and cope with change. In less than two decades, modern technology has leaped from conventional to nuclear power, from the piston age to the jet age, from "earth men" to "space men."

As we examine the needs of organizations to cope with change, it is evident that there are two basic categories. One type is *unplanned change* which will happen to all organizations. A tornado that blows down a warehouse, a new interest rate on bank loans, a power failure — these are situations to which the organization *must react*.

A second category of change is *planned change* — the type of change which is involved in the process of organization re-

newal. It can be defined as a conscious, deliberate and collaborative effort to improve the operations of a system — whether it be self system, social system, or cultural system — through the utilization of knowledge. It usually involves both a renewal stimulator and the elements of an organization, which are brought together to solve a problem or to plan and attain an improved state of functioning. A person, a group, or an organization can be a renewal stimulator.

INVENTING A FUTURE

The manager, consultant or social scientist engaged in planned or inventive change has some social “goals” (objectives) and he has a well-structured “design” (means) for achieving these ends. Planned change, therefore, involves *inventing a future*, and creating conditions and resources for realizing that future.

Changes, planned or unplanned, are ubiquitous aspects of modern organizations. Unplanned changes occur because of such factors as maturation, depressions, accidents, death or loss of resources. Planned changes may occur because of the need for improved technology, new organizational structure or new procedures. The changes that can be observed in an organization are of endless variety. Examples are changes in tools, in procedures, in values, in the structure of the organization, or in its policies.

In general terms, such changes imply for each of us uncertainty about our future role and our behavior in that role. These changes also imply uncertainty about the roles of others and our relationships with them. Such ambiguity is unsettling; it generates a need to give meaning to the situation, to try to understand it. It also generates a tendency to react in terms of the meaning we discover, whether or not that meaning is correct.

THE DIAGNOSTIC STEP

Suppose you are a responsible member in an organization where organization

renewal involving change occurs or is contemplated. What might you do? How could you start?

In developing plans for change it is important that an organization leader know how to *diagnose* the forces in the planned change effort as a first step to initiate action.

A useful concept, theory and method for thinking about change was developed by social scientist Kurt Lewin. He looked upon a level or phase of behavior within an institutional setting not as a static habit or custom, but as a dynamic balance between forces working in opposite directions within the social-psychological space of the institution. He indicated that we should think diagnostically about any change situation, in terms of the factors encouraging and facilitating change (driving forces) and the factors against change (restraining forces). These forces may originate inside the organization, in the environment or in the behavior of the renewal stimulator.

We can think of the present state of affairs in an organization as an equilibrium which is being maintained by a variety of factors that “*keep things the way they are*” or “*keep us behaving in our customary ways.*” The renewal stimulator must assess the change potential and resistance, and try to change the balance of forces so there will be movement toward an improved state of affairs.

Lewin pointed out that the effect of change will be maintained if the initial set of forces is unfrozen, change initiated and then the change refrozen at the new level. In many situations, however, such change is only temporary. Even significant changes in organizations are often followed by a regression toward an older pattern after the pressures effecting change are relaxed.

A TOTAL EFFECT

This creates the need for planned change to affect the total system and not just one individual or group. In the fifth session of an ITORP program we

find it desirable to help organization leaders to examine ways to spread, reinforce, and secure multiple commitments to planned change efforts. If this is not done, organization renewal normally will not take place. Further, we believe it desirable to produce concentrated and continuing efforts to relate the organization's people, technology, structure and resources to the problems confronting the organization as it relates to its changing environment.

Almost all organizations are caught up in the massive forces that are changing the political, social economic and religious life of the world today. To ignore these forces would be folly. To respond to them by executing the same old programs and services would be folly. To respond to them by executing the same old programs and services would be to ignore a responsibility. To rush into ill-conceived programs is wasteful and to be opportunistic is shallow.

SUMMARY

The underlying conceptual model of the five-session ITORP program is designed to use real issues, problems, and situations as the foci for initiating renewal. These situational confrontations can be examined through multiple learning processes that focus on the five themes we have outlined.

As Dr. Culbert states: “Organizations frequently are blocked from renewing their public relevance by a reluctance to address internal conflicts surfaced at times of external demands for change. Coping with internal conflicts not only may free the organization to respond externally but provides those within the organization an opportunity to learn substantively about issues which are present in their organization's interface with the public.”⁴

This article has focused on the rationale and not on the specialized methods of learning in ITORP sessions. These sessions incorporate the use of small-group learning, specially designed instruments, films, conceptual material, and pre-and-

post work session assignments. The learning methods used are in keeping with the five basic themes. The hope and challenge of organization renewal is to bring out of the past experiences of people — and the learning stimulus of these sessions — effective comprehen-

sion of confrontation and coping for the growth of ourselves, our organizations and our society.

REFERENCES

1. Gordon L. Lippitt, *Organization Renewal*, Appleton-Century-Crofts, 1969, p. 59.
2. John W. Gardner, *Self Renewal*, McGraw-Hill, 1966, p. 48
3. Samuel A. Culbert, *Organization Renewal: Using Internal Conflicts to Solve External Problems*, Research Paper No. 26, Division of Research, Graduate School of Business Administration, UCLA, 1969, p. 3.
4. *Ibid*, p. 17.

LOMA EDUCATION COURSES GRANTED COLLEGE CREDIT

Under a new cooperative arrangement, students who pass Life Office Management Association examinations may obtain college credit toward a bachelor's degree in business administration at the New York Institute of Technology, it has been announced by Roy A. MacDonald, president of LOMA, and Dr. William W. Smith, dean of the institute's Division of Continuing Education.

Such LOMA subjects as fundamentals of life insurance, and personnel administration, for example, will be allowed two and six credits per examination, respectively, toward a baccalaureate. A student completing the seven basic LOMA examinations, plus one of eight specialties, and thus qualifying as an FLMI,* can gain up to 21 credits — the equivalent of about one and one-half semesters of college. By becoming an FLMI and passing more than one specialty, a student can attain a maximum of 37 credits, or almost one-third of the normal requirements for an undergraduate degree.

Lynn Merritt, vice president of the association's Education and Training Division, who is coordinating the new arrangement, says "the arrangement further demonstrates to the industry the quality of the LOMA curriculum and the potential benefits for those who complete its courses." He anticipates that agreements can be made with other universities in the United States and Canada for similar undertakings which then would enable individuals from almost any region of North America to obtain college credits at a nearby school.

The joint educational effort of the Association and the New York Institute brings together two old-established institutions. Founded in 1924, LOMA performs educational and research activities for 480 leading life insurance companies in the United States, Canada and 21 foreign countries. Its Insurance Education Program was started in 1932 to provide a basic understanding of modern life insurance concepts for home office and branch office personnel in life companies. Since that time more than 143,000 employees of life insurance companies and individuals with insurance-related responsibilities have taken examinations.

The institute, which has a facility in Manhattan, and an 800-acre campus in Old Westbury, Long Island, is a coeducational, nonsectarian, privately supported college that is chartered by the Regents of the State of New York and accredited by the Middle States Regional Association.

Founded in 1910, it is attended by more than 5,000 students who are studying for careers in business and the fine arts, as well as in aerospace, and in architectural, computer, electrical and industrial technology.

*FLMI stands for Fellow, Life Management Institute, a designation conferred by LOMA for completion of its Insurance Education Program. LOMA has been granted a charter by the New York State University Board of Regents.