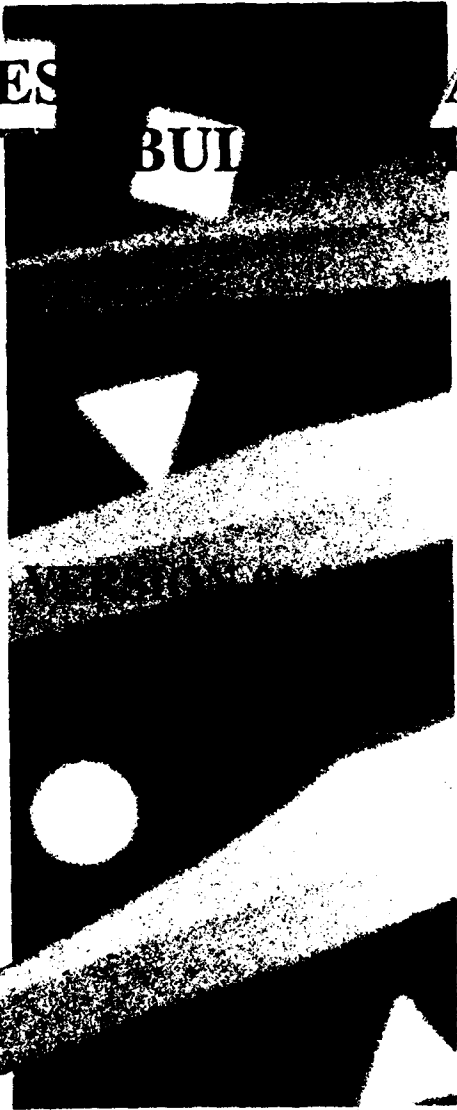


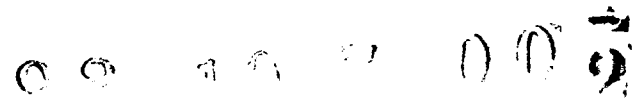
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BUILDING RESOURCES ORGANIZATIONS
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BUILDING RESILIENT ORGANIZATIONS FOR TURBULENT TIMES

SPC-93139-CMC

VERSION 01.00.00

SEPTEMBER 1993

Al Brown

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SPC Building
2214 Rock Hill Road
Herndon, Virginia 22070

AL BROWN

ODR

***BUILDING RESILIENT ORGANIZATIONS FOR
TURBULENT TIMES***

ABSTRACT

In this video, Mr. Brown defines change and discusses its impact on organizations. He presents methodologies to identify and create "assimilation capacity". Mr. Brown also addresses building resilience into organizations that must undergo change. He describes how ODR uses their proprietary methodology, Managing Organizational Change (MOC), to help organizations assure that major change projects such as rightsizing, new technology integration, and quality improvement are implemented on time and within budget. Many of these issues are being worked by the Consortium in its Technology Insertion and Process Improvement projects.

The logo for ODR (Office of Dispute Resolution) is displayed in a bold, white, sans-serif font. The letters are slightly shadowed, giving them a three-dimensional appearance as if they are floating above a dark surface. The letters are set against a solid black horizontal bar that spans the width of the page.

ODR

**BUILDING
RESILIENT
ORGANIZATIONS
FOR TURBULENT
TIMES**

The text "Management Briefing" is written in a white, sans-serif font. It is positioned in the lower right quadrant of the page, set against a large, solid black rectangular background that occupies the right half of the page. The text is centered vertically within this black area.

**Management
Briefing**

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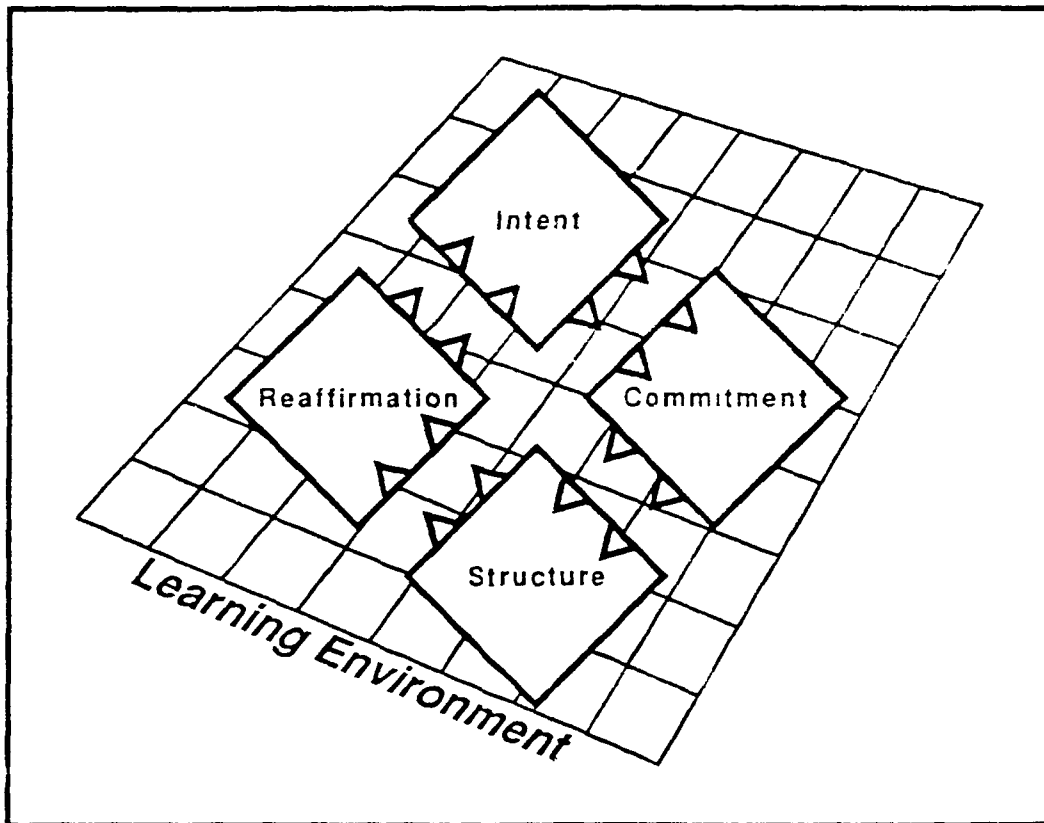
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THE CONTEXT FOR ORGANIZATIONAL CHANGE

There are five elements that comprise the *context* in which change can succeed: intent, commitment, structure, reaffirmation, and learning.

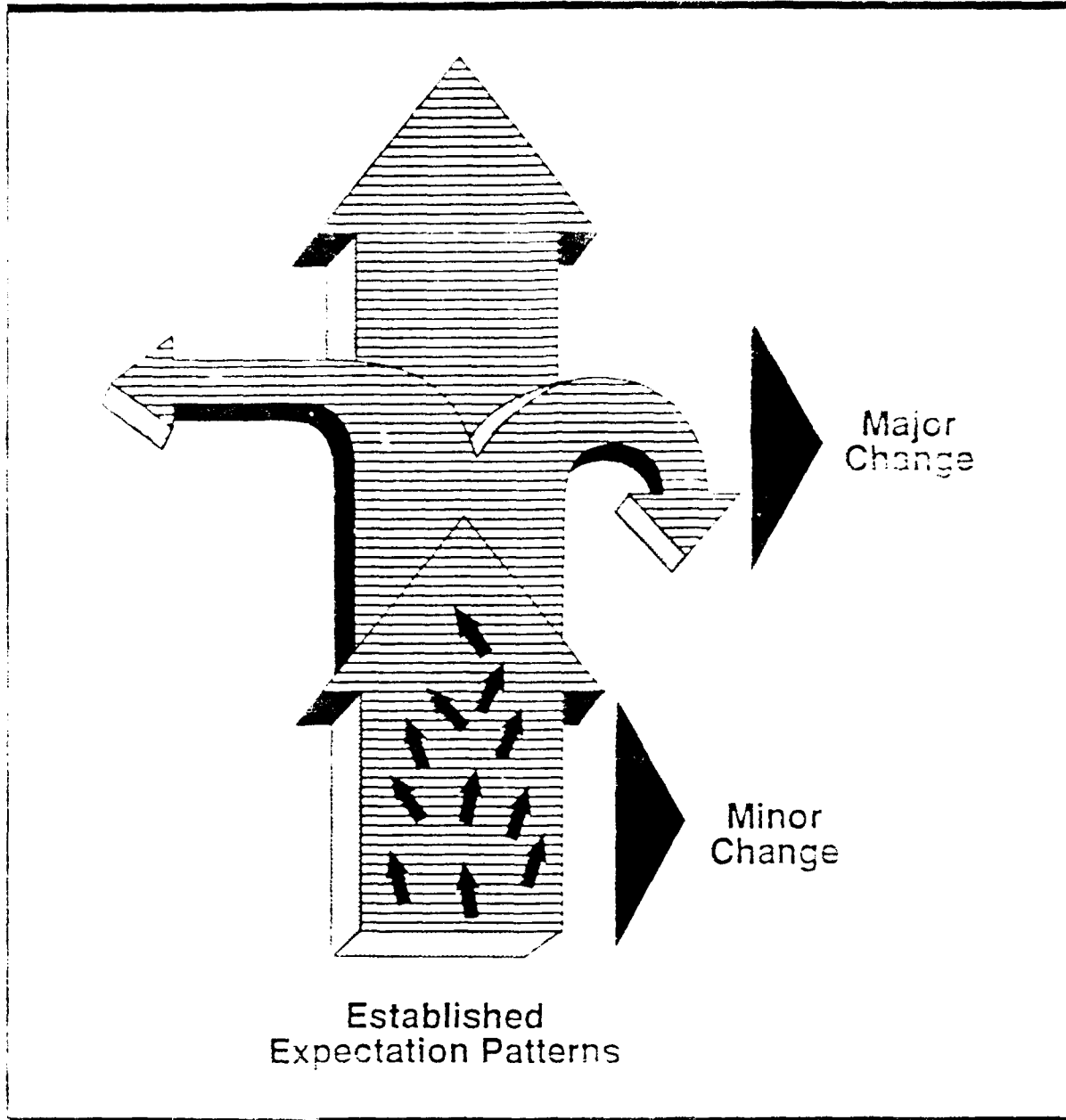
Major transformations are best sustained when:

- The *intent* to change becomes a *commitment*. This occurs when people are made aware of the high cost for not achieving their goals.
- This bond between intent and commitment becomes the motivating force for adhering to a *structure* that can translate determination into tangible results.
- The resolve to continue this course of action is tested and *reaffirmed* throughout the implementation process.
- The successful accomplishment of the change increases the likelihood that future changes will be attempted.
- The cycle of intent, commitment, structure, and reaffirmation is most likely to be sustained in an environment characterized by *learning* (accountability responsibility, consequences) — not blaming and defense.

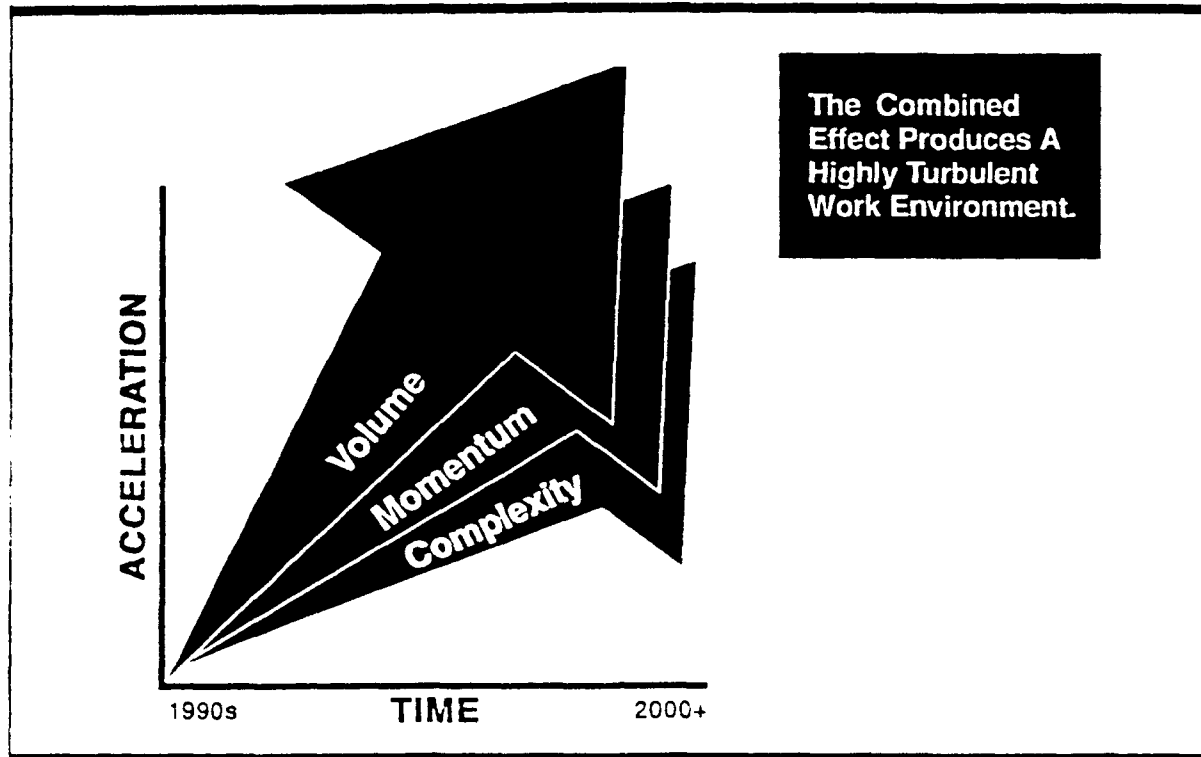


WHAT IS MAJOR ORGANIZATIONAL CHANGE?

If change is a disruption in expectations, major change is a dramatic departure from what was anticipated.



THE INCREASING IMPACT OF CHANGE



Key Characteristics of Turbulent Work Environments

- More interactive components (e.g. people, tasks, issues, problems, opportunities)
- More interdependence among the components
- More unanticipated consequences
- Less time to react to events
- Less predictability and control
- Less durability of solutions

ASSIMILATING CHANGE

- "Assimilating change" means recovering from a significant disruption in expectations. This is accomplished when new expectations are developed that allow people to succeed in an unfamiliar environment.
- It is not necessary for people to like what has happened to them when disruptions occur. What is important is that they can establish new expectations that will enable them to dictate or at least accurately anticipate what will happen in the unfamiliar environment.
- Each individual, group, and organization has its own unique capacity for change that is symbolized by the amount of "assimilation resources" they have available for adjusting to change.
- When people face more change than they have assimilation resources to absorb, they encounter **FUTURE SHOCK**

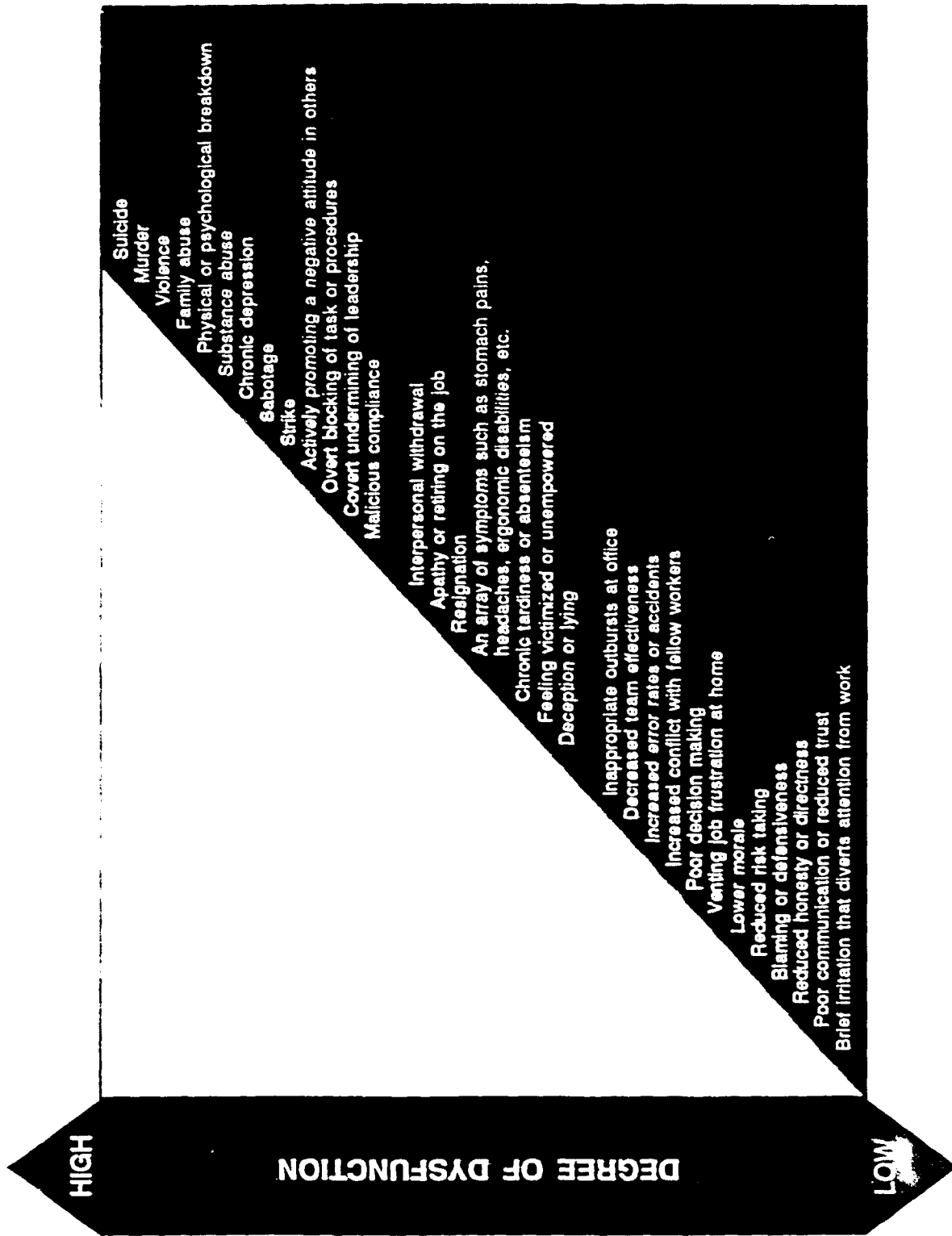
FUTURE SHOCK

That point in time when people can no longer assimilate change without displaying dysfunctional behavior.

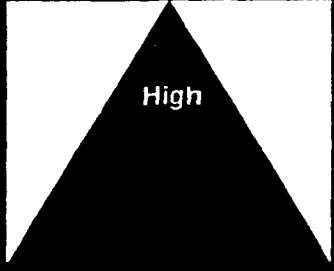
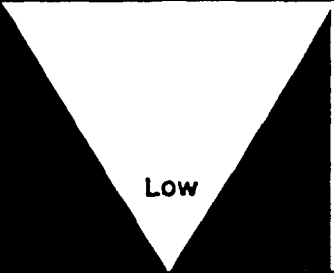
CHANGE-RELATED DYSFUNCTION

Any action or feeling that diverts resources away from meeting productivity and quality standards.

CHANGE-RELATED DYSFUNCTIONAL BEHAVIOR

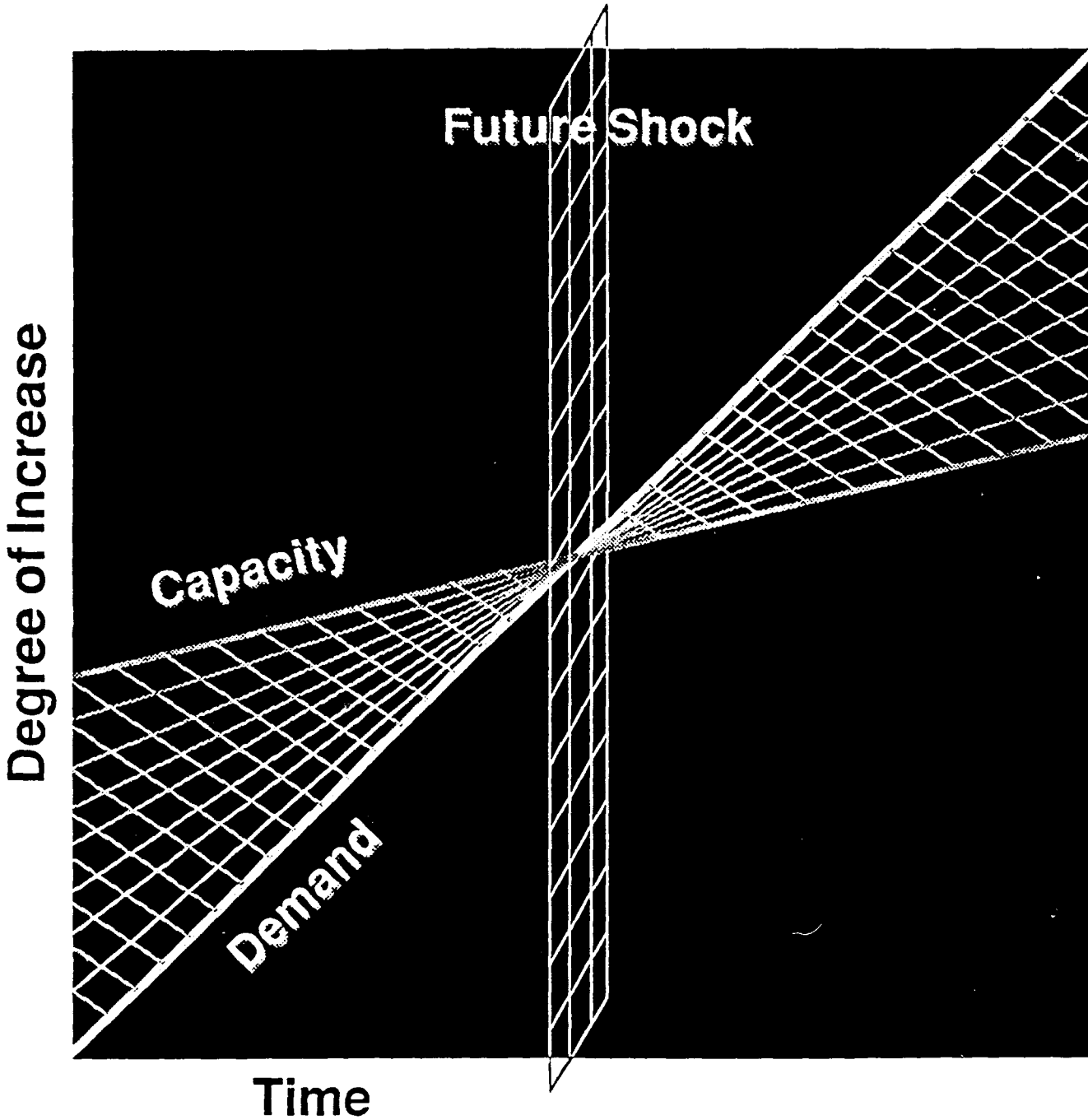


HOW DYSFUNCTION AFFECTS CHANGE

Degree of Dysfunction	Organizational Outcome	Individual Learnings	Outcome Characteristics
 <p>High</p>	Change is executed only	People only cope and adjust to change	<ul style="list-style-type: none"> • Superficial application, short term in duration; • compliance with only technical specifications
 <p>Low</p>	Change is fully implemented	People absorb and integrate change	<ul style="list-style-type: none"> • Comprehensive application, long term in duration; • the spirit as well as the technical specifications are achieved

- When people experience future shock, they don't stop changing — they become more dysfunctional.
- As the symptoms of dysfunction increase, the benefits of the results achieved by the change are decreased — productivity and quality suffer, which lowers efficiency, effectiveness, profits, etc.
- Judging only the appearance of change without acknowledging the associated dysfunction can generate a distorted view of actual results.

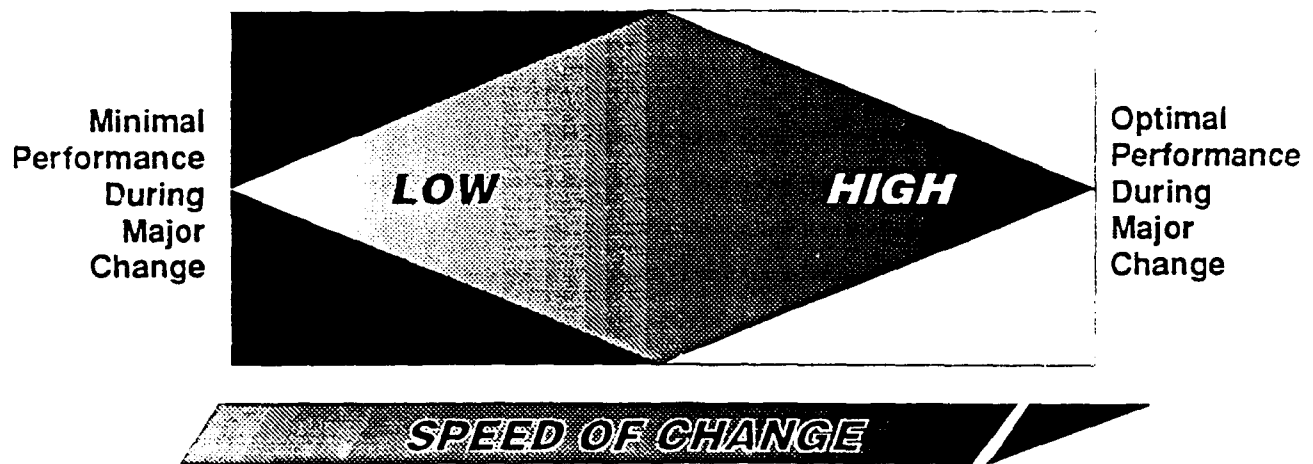
CAPACITY VS. DEMAND



DEFINING THE SPEED OF CHANGE

- Each of us travels through life at a unique pace that allows us to assimilate the major changes we face. This is referred to as our *speed of change*. People who demonstrate exceptionally high performance during periods of major change are usually operating near their optimum speed of change. When people are functioning at their optimum speed of change, they are absorbing significant disruption with minimal dysfunction.

PERFORMANCE DURING CHANGE



- Your speed of change is not just the rate at which things around you are moving, but the pace at which you can bounce back from the confusion caused by uncertainty. Your speed of change reflects how quickly you can recover from disrupted expectations, avoid the dangers, and grasp the opportunities that have been generated in a new situation.

RESILIENCE

The single most important factor necessary to increase an organization's speed of change is the degree to which people are RESILIENT.

RESILIENCE is the ability to absorb high levels of disruptive change while displaying minimal dysfunctional behavior.

It is no longer sufficient to merely "adapt" to new demands, "cope" with the stress of uncertainty, or "adjust" to disruptions in the workplace. RESILIENCE is the force that allows people to go beyond survival and to actually prosper in environments that are becoming increasingly complex.

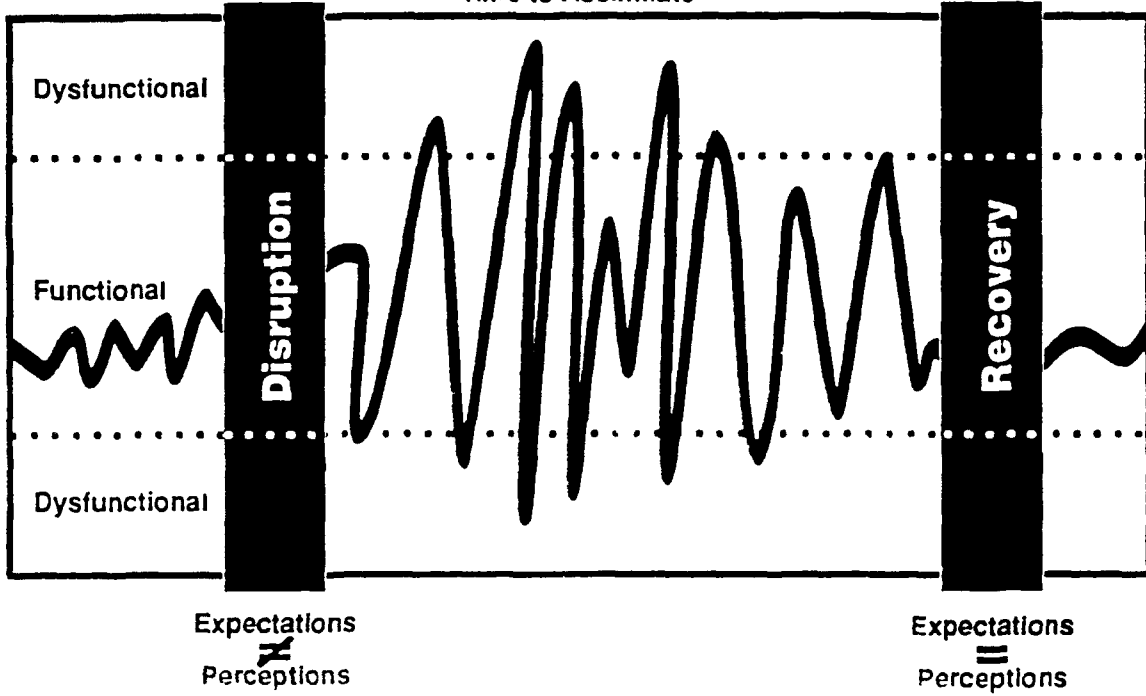
Although RESILIENT people take no loss of a single step that would mean they engage change, more often than not they:

- Regain their equilibrium faster
- Maintain a higher level of productivity
- Are physically and emotionally healthier
- Achieve more of their objectives than people who experience future shock
- Tend to rebound from the demands of change even stronger than before

SPEED OF CHANGE

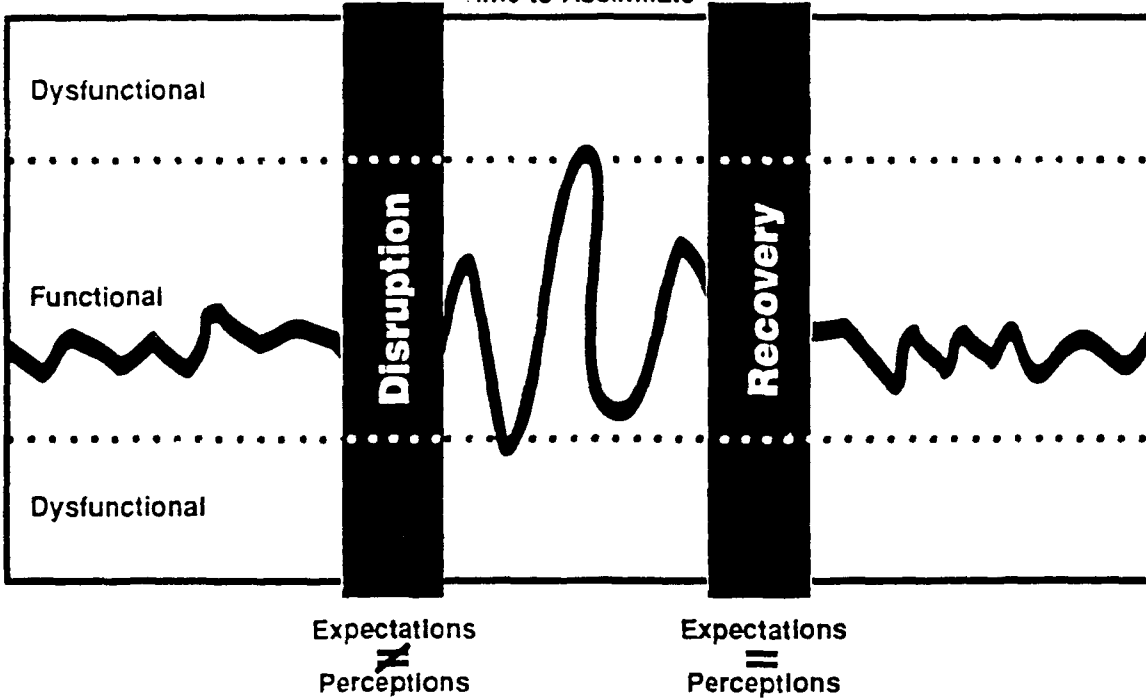
LOW RESILIENCE

Time to Assimilate



HIGH RESILIENCE

Time to Assimilate



THE BASIC CHARACTERISTICS OF HIGHLY RESILIENT PEOPLE*

Positive

Display a security and self-assurance that is based on their view of life as complex but filled with opportunity.

Focused

Have a clear vision of what they want to achieve.

Flexible

Demonstrate a special capability when responding to uncertainty.

Organized

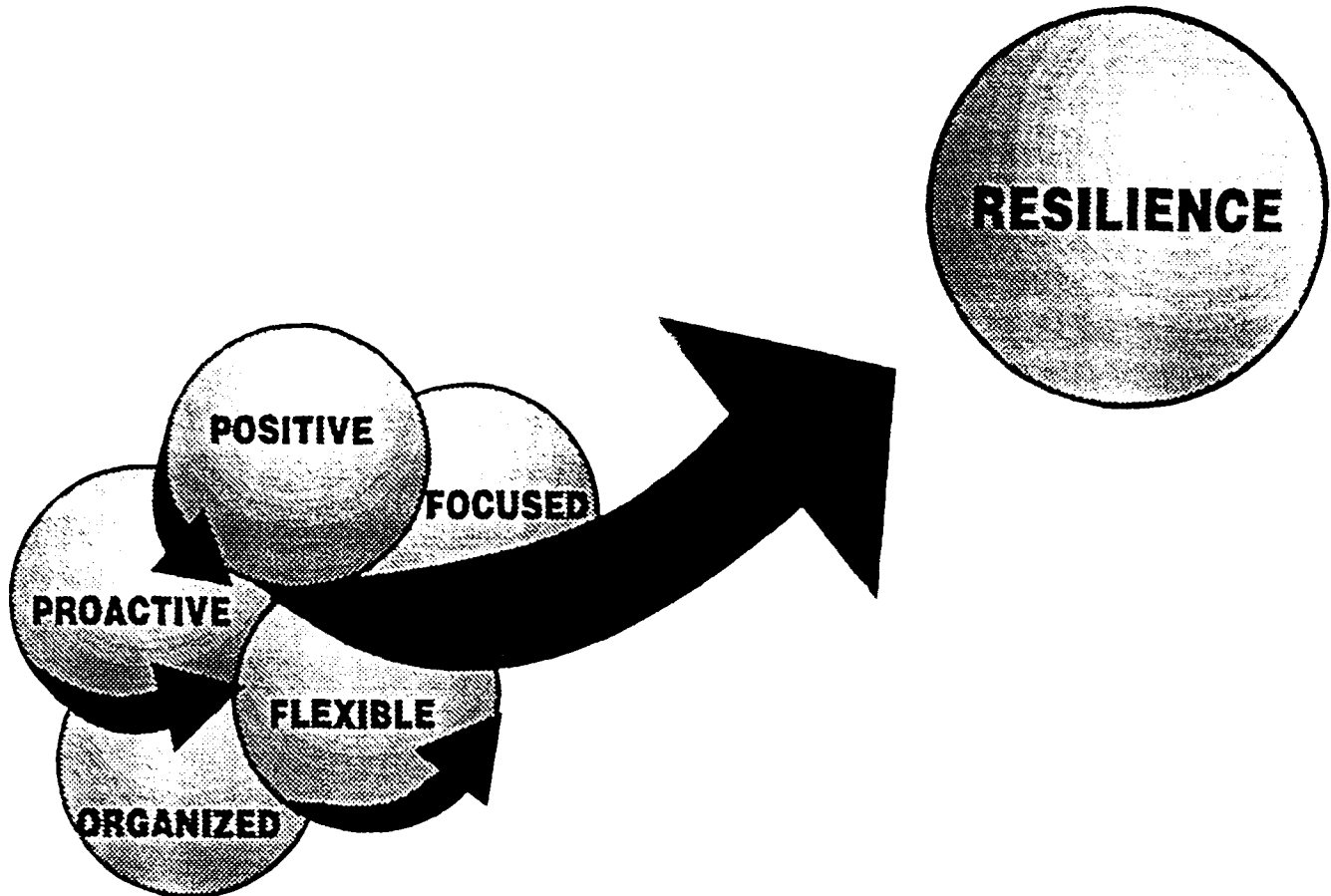
Take responsibility for their actions and the quality of their work.

Proactive

Engage change rather than defend against it.

* The resilient characteristics described here exclude the physiological aspects of resilience. This exclusion is not intended to downplay the importance of physical and wellness in achieving optimal resilience. However, information on such topics is readily available in medical books and journals regarding physical performance. It should be considered in any comprehensive and exhaustive study of resilience.

INTEGRATING RESILIENCE CHARACTERISTICS



THE ODR® APPROACH TO MANAGING CHANGE

When implementing major change:

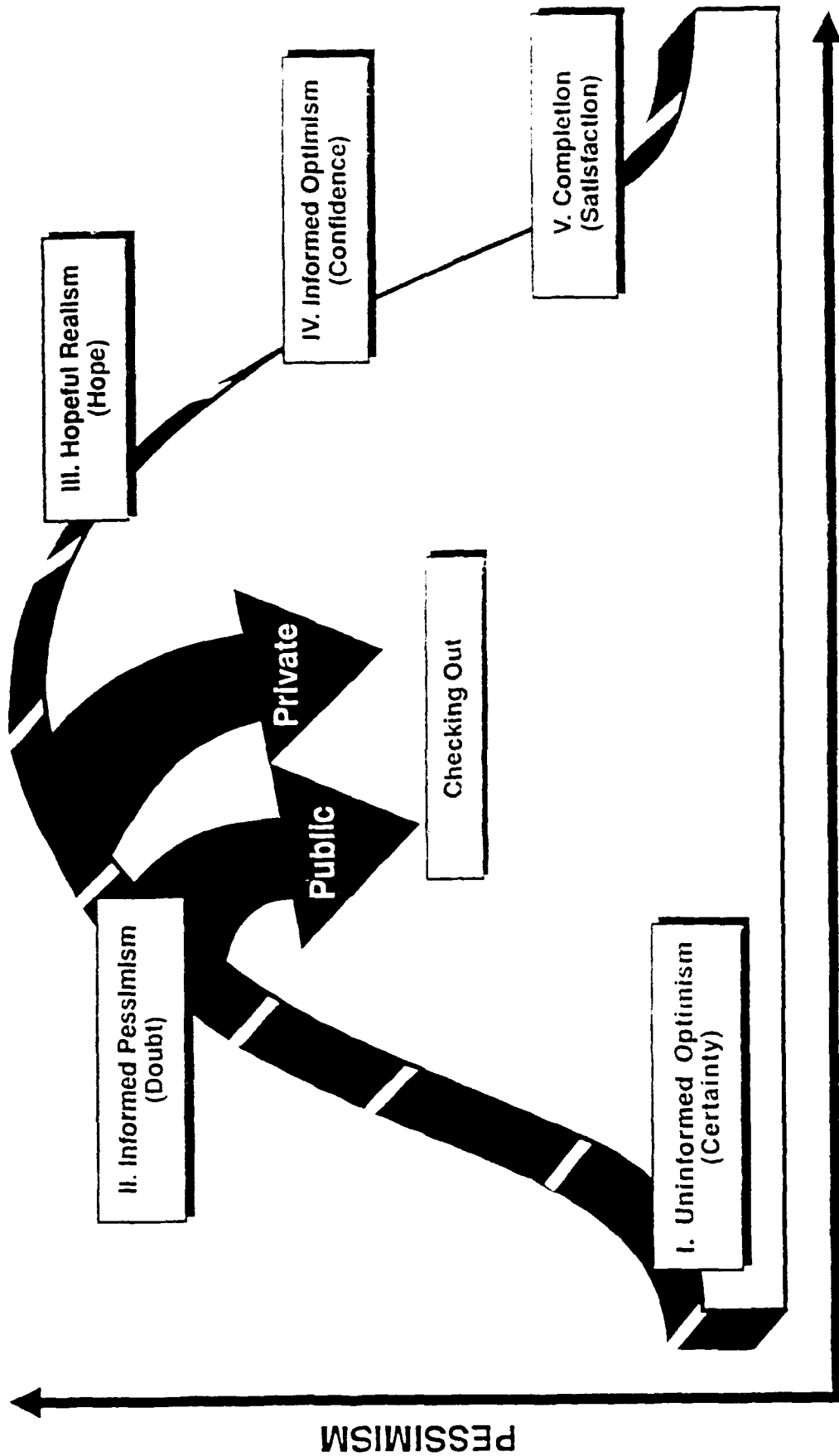
- The dysfunction of future shock is your *primary concern*
- Increasing the speed of change is your *critical challenge*
- Maximizing human resilience is your *most important goal*

BURNING PLATFORMS



A burning platform-type decision is at hand when the organization is facing a major (disruptive) change in which the cost (pain) for the status quo is prohibitively high.

POSITIVE RESPONSE TO CHANGE



KEY ROLES IN THE CHANGE PROCESS

Change Sponsor

Individual or group who legitimizes the change

Change Agent

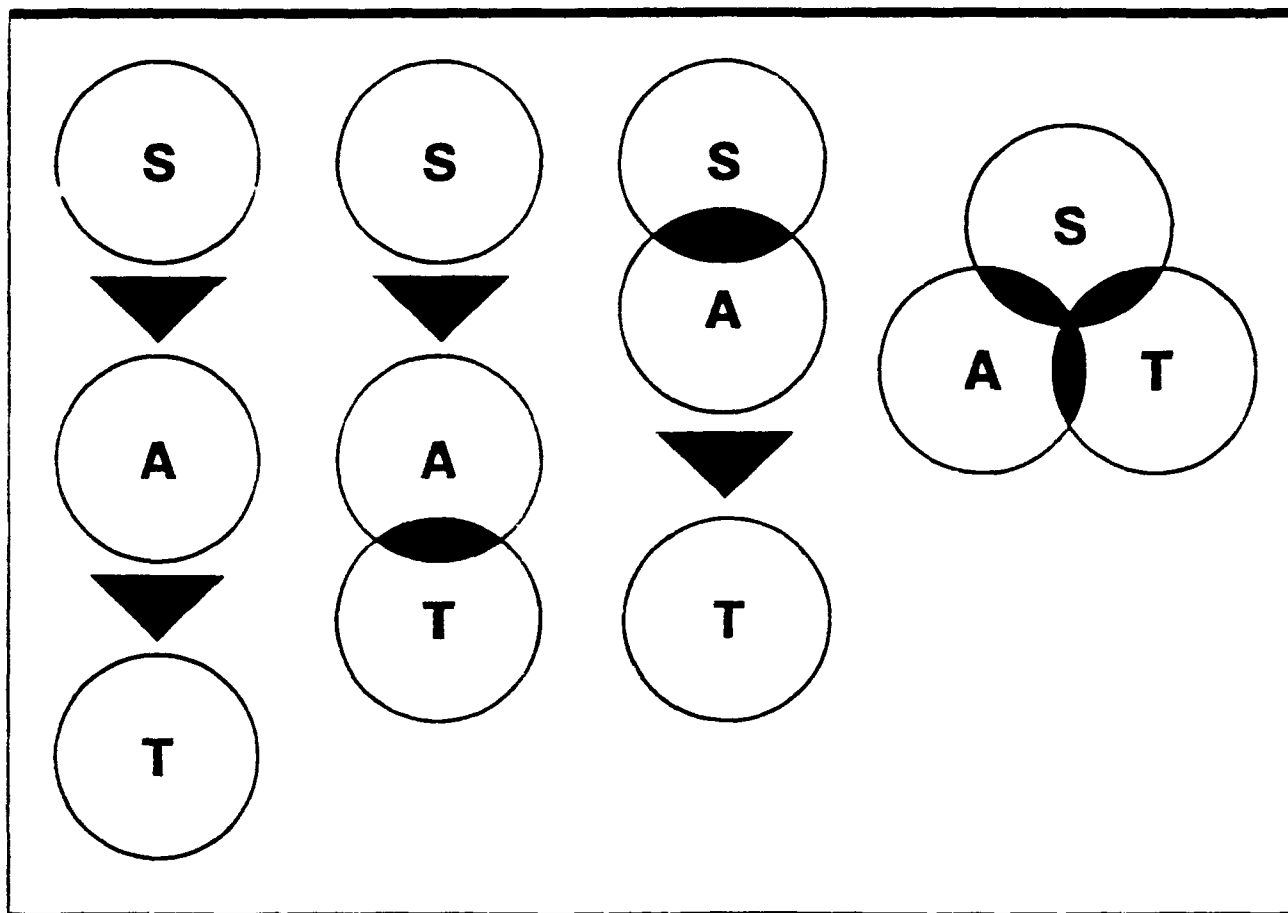
Individual or group who is responsible for implementing the change

Change Target

individual or group who must actually change

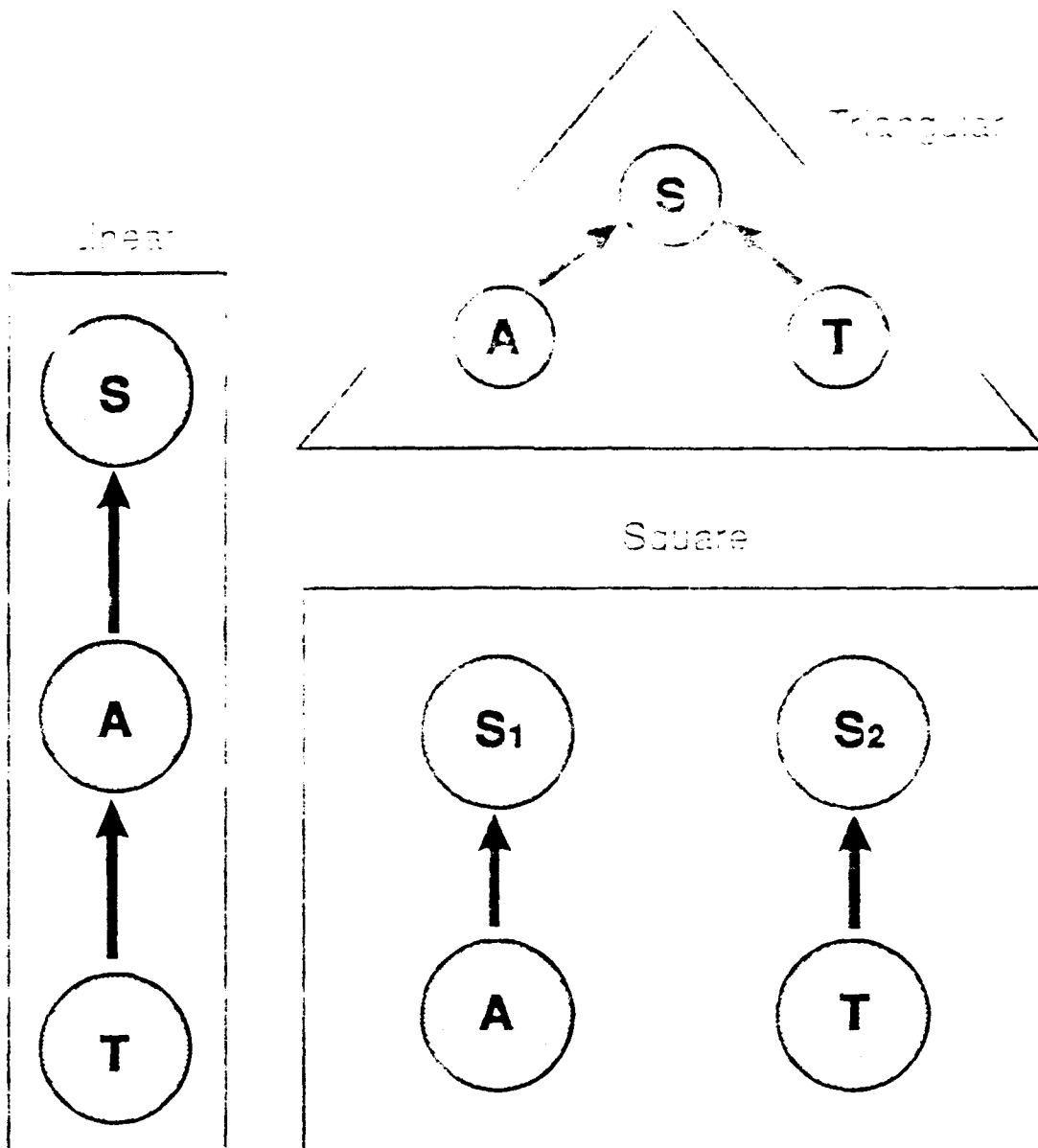
Change Advocate

Individual or group who wants to achieve a change but does not possess legitimization power



KEY ROLES: THREE BASIC STRUCTURES

Reporting Line →



RELATIONSHIPS DURING CHANGE

T H R E E O P T I O N S

The capacity of sponsors, agents, and targets to work together can be characterized in one of three ways:

Self-destructive

$$1 + 1 < 2$$

Static

$$1 + 1 = 2$$

Synergistic

$$1 + 1 > 2$$

S Y N E R G Y

Individuals or groups working together in a manner that:

- Produces a greater total effect than the sum of their individual efforts.
- Generates more benefits to the organization than the amount of resources consumed.
- Promotes a higher future growth threshold.
- Requires fewer assimilation resources to change.

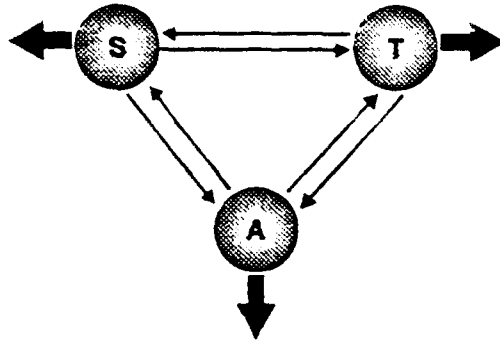
PREREQUISITES TO SYNERGISTIC RELATIONSHIPS

- Willingness
 - ▶ Common goal
 - ▶ Goal achievement must require interdependence

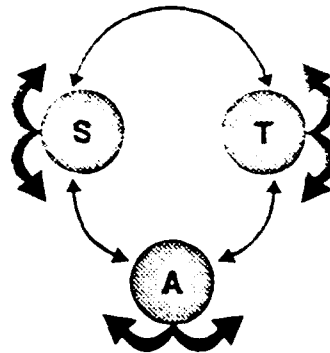
- Ability
 - ▶ Empowerment
 - ▶ Participative management

SYNERGISTIC PROCESS

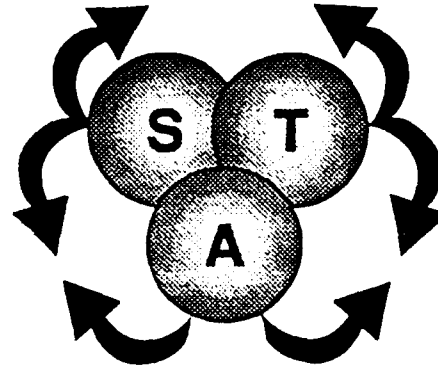
PHASE I
Interacting
Surface Diversity



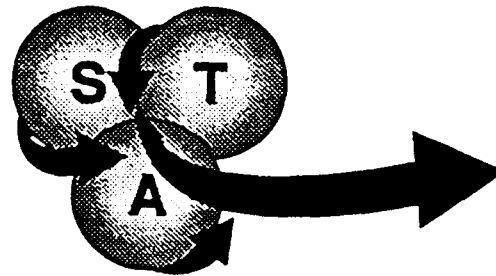
PHASE II
Appreciative Understanding
Value Diversity



PHASE III
Integrating
Merge Diverse Ideas

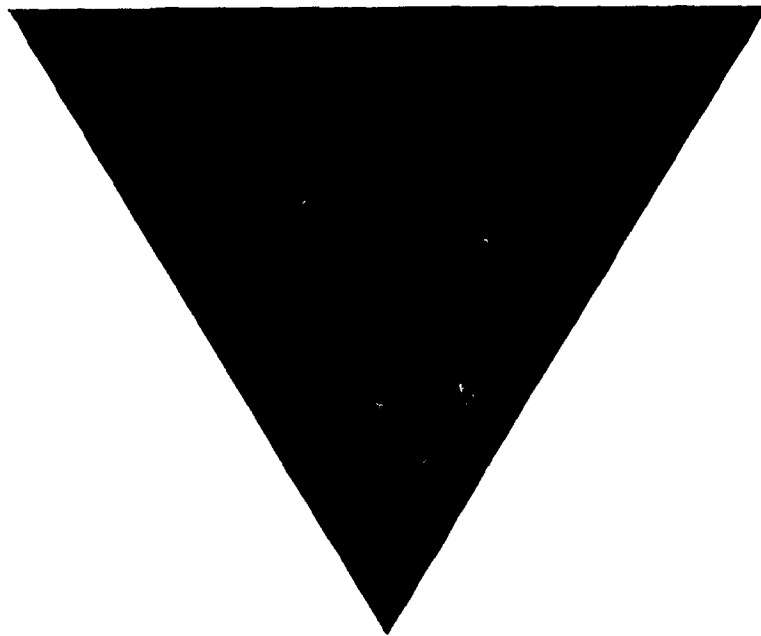


PHASE IV
Implementing
Initiate and Complete
Action Plans



Based on concepts originally developed by Henry Nelson Wieman

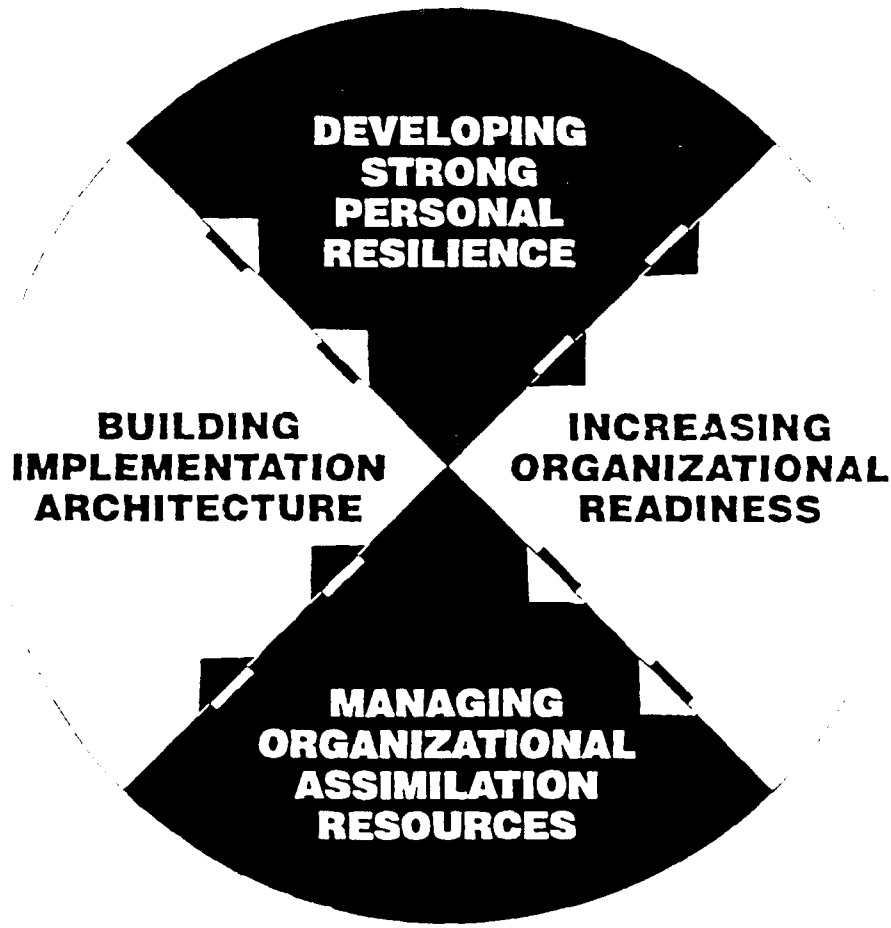
HOW TO PREPARE YOUR ORGANIZATION FOR CHANGE



KEY ELEMENTS OF THE MOC[®] METHODOLOGY

The MOC methodology addresses the four elements that are most crucial when managing change in turbulent times:

- 1** Helping people throughout the organization to strengthen their resilience to change.
- 2** Developing a general readiness for change among people at all levels of the organization.
- 3** Making change-related decisions at the senior level that will not exceed the organization's capacity to successfully assimilate.
- 4** Designing implementation architecture for specific change initiatives that can address the unique needs of the organization.



Questions or comments on content should be directed to:

Al Brown
ODR
2900 Chamblee-Tucker Road
Building 16
Atlanta, GA 30341
(404) 455-7145

Or to:

Robert L. Christopher
Software Productivity Consortium
2214 Rock Hill Road
Herndon, VA 22070
(703) 742-7228

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