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Instituto Universitário de Lisboa

Escola de Tecnologias e Arquitectura

IT Quality and Organization Development – using Action Research to promote Employee Engagement, Leadership Development, Learning, and Organizational Improvement

Telmo António Monteiro Henriques

Tese especialmente elaborada para obtenção do grau de
Doutor em Ciências e Tecnologias da Informação

Júri:

Doutor João Álvaro de Carvalho, Professor Catedrático, Universidade do Minho
Doutora Maria Helena Monteiro, Professora Auxiliar, Universidade de Lisboa
Doutor Paulo Rupino da Cunha, Professor Auxiliar, Universidade de Coimbra
Doutor Bráulio Alturas, Professor Auxiliar, ISCTE-IUL
Doutor Luís Ducla Soares, Professor Auxiliar, ISCTE-IUL

Orientador:

Doutor Henrique O'Neill, Professor Associado, ISCTE-IUL

Julho, 2015

DEDICATION

To my parents, who since an early age instilled in me values which allowed me to develop as a person.

To my wife, my son, and my daughter, my main satisfaction in life, and the most excellent fellows and advisors which one could find.

To my friends, from whom I have had the opportunity to learn, their pleasant advice often kept me at a minimal error level. Level that is high enough to allow learning from experience and low enough to encourage bypassing difficulties and progressing.

To all those persons who believe that *to work with people for the benefit of people, incorprating our hearts, minds and noble values, is the most important and rewarding mission in the world.*

To God which inspires us to do so, for the sake of a better mankind.

ACKNOWLEDGEMENTS

ABSTRACT

Within IT areas, Quality is often reduced to visions strongly influenced by operational and tactical instruments, relegating to minor dimensions crucial Organization Development (OD) aspects which sustain Learning, and Innovation. The current Program, grounded on the relevance of these aspects, has targeted, within a Bank's IT Division, an approach to induce organizational change, and to produce strategic actions and behavioural changes which have led to an effective improvement on Customers, and Employees' Satisfaction.

It has followed an Action Research paradigm – addressing a complex, transformational, planed change, and using a multidimensional, integrative approach, based on a holistic, open systemic view – not targeting for the development of new theories, but, mainly, the fulfilment of existing empirical, and methodological gaps.

It has integrated a two-cycle OD approach, where a first cycle focused on Service Culture, Leadership, and Employee Engagement has developed the conditions for a second cycle based on the acquired knowledge (double loop) and devoted to strategy implementation.

Although the intervention's achievements cannot be generalized outside the context, they can be transposed to other settings. They've revealed important Management Implications which form the relevance basis for this doctoral dissertation, namely a *holistic, values-based, and participative framework* to address organizational transformation, and the associated *critical success factors*. An opportunity exists to further research in the field, linking together an OD approach with a TQM approach to organizational excellence.

Also, a *metamodel of the Action Research process which has been followed* – evidencing, at a conceptual level, the main *sub-processes*, *data* groups, and *linking points* between the *action* and the *research* dimensions – has been produced. An opportunity exists for further research on the development of this metamodel, including a conceptual data model and a system behavioural perspective (responding to events).

Keywords: Action Research, Employee Engagement, Leadership, Organizational Culture and Values, Strategic Transformation, Organizational Development and Holistic Change, Process Improvement, Workforce Development.

RESUMO

Nas áreas de TI, a Qualidade é frequentemente reduzida a visões fortemente influenciadas por instrumentos táticos e operacionais, menorizando aspetos de Desenvolvimento Organizacional (DO) que são essenciais para sustentar a Aprendizagem e a Inovação. O presente programa, alicerçado na relevância destes aspetos, visou, no contexto da Divisão de TI de um Banco, desenvolver uma aproximação indutora de mudança organizacional; produzindo ações de índole estratégica e mudanças comportamentais; tendo conduzindo a um incremento significativo na Satisfação de Clientes Internos e de Colaboradores.

Um primeiro ciclo – focado na Cultura de Serviço, na Liderança e no Envolvimento dos Colaboradores – criou as condições para num segundo ciclo, baseado no conhecimento organizacional adquirido, e nas decisões estratégicas emergentes ("double loop" learning), proceder à respetiva implementação.

Foi seguido um paradigma de Investigação-Ação – endereçando uma mudança complexa, transformacional, planeada; usando uma abordagem multidimensional e integrativa; baseada numa perspetiva holística e de sistemas abertos – não visando diretamente o desenvolvimento de novas teorias, mas, fundamentalmente o colmatar de lacunas de índole empírica e metodológica.

Embora os resultados obtidos não possam ser generalizados fora do contexto, eles podem, contudo, ser transpostos para outras intervenções; evidenciando-se como importantes Implicações para a Gestão que integram a base de relevância desta tese: um *Quadro de Referência para a Transformação Organizacional Holística, Participativa e Baseada em Valores e respetivos Fatores Críticos de Sucesso*. Numa perspetiva de Desenvolvimento Organizacional abrem-se ainda oportunidades de investigação-ação futura, no mesmo contexto, progredindo para uma abordagem à Qualidade Total e à Excelência Organizacional.

Para além disso, outro dos resultados relevantes da investigação corresponde à produção do *Metamodelo do Processo de Investigação-Ação* que foi seguido – evidenciando, ao nível conceptual, os seus principais *subprocessos*, *grupos de dados* e *pontos de articulação* entre a vertente de *ação* e a vertente de *investigação*. Nesta vertente, abrem-se ainda oportunidades de investigação futura em termos de desenvolvimento do metamodelo, por forma a incluir uma *visão conceptual de dados* e uma *perspetiva comportamental de sistema* (resposta a eventos).

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1.1 Strategic approach, scope, and research problems

Within Information Systems and Technology areas, Quality and Organizational Excellence are often reduced to some visions, strongly influenced by operational and tactical instruments (COBIT, ITIL, CMMI, and PMBOK), which tend to overvalue the process, risk, control, and service dimensions of the organization.

These are, undoubtedly, important dimensions of Information Systems Management, but they are *not sufficient to represent the kernel determinants of organizational effectiveness*. This is particularly important when addressing problems associated with *holistic transformational change*.

As a consequence of this restrict vision, some of the important Organization Development aspects which are crucial to any Quality and Innovation Strategy – including, among others, Organizational Culture and Values, Leadership, Work Teams, and Employee Engagement – are relegated to a minor dimension.

On a Strategic Management perspective, Hitt, Ireland and Hoskinsson (2009) enhance, on the *Resources Based Model*, an approach which starts from the organization's unique resources and capabilities – taken as potential competitive advantages – to identify attractive market segments and activities, and using them as a foundational basis to develop strategies targeting "above average results".

Focusing on a resource centred view, Burke & Litwin (1992) enhance, on its *Causal Model of Organizational Performance and Change* – as crucial aspects on the basis of individual and organizational performance – a set of important internal dimensions to be considered. They include Leadership, Management Practices, Work Unit Climate, Motivation, Organizational Culture, and Individual Values and Needs.

Focused on Ethical aspects – and arguing that "*organizational ethics is the result of leaders' practices*", being its main responsibility "*to manage team's culture, allowing for the introduction of predictability on Mission and Vision implementation*" – Vargas (2005) enhances the dual importance of integrating the "*material*" (strategy, structure, processes, and competencies) and "*immaterial*" (values, beliefs, norms, and attitudes) dimensions of organization life, in order to effectively implement its Mission and Vision. He deeply discusses and develops, in a logic

sequence, all the essential aspects for implementing an integrated value-based management model.

This is the strategic vision orientation which is subjacent to the first Organization Development cycle associated with the current organizational intervention and research.

This first cycle, devoted to Strategy Determination, has been the main focus of the research. Within a real organizational context, *our primary research problem* was the identification of a *structured set of Critical Success Factors for holistic, participative and transformational change*.

Another main problem, to be addressed along the change and research process, was centred on the establishment of *a model for the process itself –* including a structured set of typical *activities* and the associated main *data – integrating the action and research dimensions as a whole*, and balancing research rigor with organizational relevance. This was a clear and immediate operational problem, but it was also an opportunity to *conceptualize, develop, and improve on the research method itself*. So, the emerging model would be necessarily specific and pragmatic to be successfully applied, and tested within context, but also sufficiently generic (as a process and data meta-model) to be considered as relevant for further application outside the context.

A second organization development cycle – focused on Implementation and founded on the Organizational Transformation proposals and main decisions which have emerged from the first one – has covered a set of main Strategic Actions, setting new policies, structures, and procedures, and targeting structural improvement within areas such of Employee Training and Development, Communication, Leadership Practices, adoption of IT Best Practices, Process Optimization, and Tool Implementation.

Despite this second cycle, devoted to Strategy Implementation, is not directly related to our focal research problem, questions, objectives, and hypothesis, it has been considered as relevant, from an Organization Development perspective, to provide a clear evidence of its strategic outcomes.

In fact, it inclusion within this dissertation is strictly *instrumental*. So, it is here described, on its essential actions and major outcomes, *only for the purpose of* giving evidence of the change success and strategy sustainability. It also provides some useful information about the case, from an organizational management perspective.

According to Argyris (2002) *learning* may be defined as the "*detection and correction of error*", existing a clear distinction between *single-loop learning*, which "*occurs when errors are corrected without altering the underlying governing values*" and *double-loop learning*, which "*occurs when errors are corrected by changing the governing values and then the actions*".

Senge (2006:p. 766), rooted on these concepts, and developing the theme of the role of the Leader on building Learning Organizations, refers a clear distinction between the notions of generative learning, "*which is about **creating***", and adaptive learning, "*which is about **coping***".

Together, *both cycles of this large organizational transformation integrate and configure a double-loop, generative, organization development and learning process*; covering *strategy definition and implementation*; and having, as a common characteristic, an underlying *strong investment on people* involvement along its preparation, as well as along the subsequent improvement initiatives supported by new structural units and processes.

1.2   Research paradigm

Referring to *Organization Development*, Cummings & Worley (2009) – enhancing its intrinsic strong relation with Planned Change – consider this process as:

> "*A system wide application and transfer of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness*".

Concerning this kind of change they refer three major theoretical frameworks for organizational transformation, namely the *classic model of Kurt Lewin* (1951), the *Action Research* paradigm (Herr & Anderson, 2005), and the *Positive Approach* (Cooperrider & Whitney, 2005).

Focusing on the *Action Research* paradigm, Shani & Pasmore (1982) define it as:

> "*An emergent inquiry process in which behavioural science knowledge is integrated with existing organizational knowledge and applied to solve real organizational problems*", being "*simultaneously concerned with bringing about change in organizations, in developing self-help competencies in organizational members, and in adding to scientific knowledge*".

Not being the objective of the current organizational interventions to address *directly* any *theoretical gap* – but, mainly, to fill an *empirical gap*, and a *methodological gap,* using existing internal and external knowledge to *promote learning* and *change*, and reflecting on what has been done and achieved to *produce relevant knowledge emerging from its application* – the *Action Research* paradigm has been considered as the most adequate for this purpose.

1.3   Main theoretical foundations

According to the main organizational problems to be addressed, a deep transformational change should occur, primarily on the domains of Organizational Culture and Values, Leadership, and Team Effectiveness, and Employee Engagement. So, these were the main areas covered by the first OD intervention cycle.

Along a wide participative and generative learning process, it has prepared the ground to face, on a second cycle, a new set of interrelated projects; developing Support Structures for Workforce Development, targeting Process Improvement and Tool Implementation, enhancing Organizational Communication, and promoting Quality and Organizational Excellence.

So, relevance must be given to all these foundational aspects.

On a broad vision of *Organizational Culture* Cameron & Quinn (1998) detail essential aspects of their approach: the Competitive Values Framework. It supports a diagnostic stage, on the understanding of the existent culture and on the determination of the essential aspects of the desired culture. For the purpose they have designed a process and a proper questionnaire (*Organizational Culture Assessment Instrument*).

Due to this wide vision over Organizational Culture, its rigorous and well-tested approach, it has been considered, and adopted, as our initial organizational diagnosis tool.

Concerning *Leadership and Work Team Effectiveness*, several publications highlight the *leader influence* on *team performance* and its determinant role concerning *transformational change*.

Important theories give relevance to multiple approaches to Leadership, including the Treats approach, Charismatic and Visionary leadership, Skills, Styles, Functional leadership, Leader-Member Exchange, and Transformational leadership (Northouse, 2007).

Associated with *Employee Engagement*, multiple constructs – including Values, Attitudes, Behaviours, Organizational Identification, Engagement, Empowerment, and Extra-Role

Behaviour – form a critical basis for organizational effectiveness, supporting the "soft" dimension of organizational strategy.

On the domain of *values, attitudes, norms, and behaviours*, several important studies (Allport, 1954; Fishbein & Ajzen, 1975, 1980; Alcobia, 2001) enhanc**e** its relevance and strong implication over organizational performance**.**

Organizational identity and identification, "*positively connected with cohesion and cooperation, motivation, performance, and extra-role behaviour*" (Tavares, 2007), are essential to promote individual well-being and organizational effectiveness.

The *alignment of organizational values* (espoused, attributed, shared, and aspirational) is a major vehicle to promote and sustain change (Bourne & Jenkins, 2013).

Espoused Values, mediating *Artifacts* and *Assumptions* on Schein's (2009) model of Organizational Culture, play a major role. They explain "*why the members of the organization are behaving as they do, and why each organization is constructed as it is*".

Commitment, and particularly *affective commitment* has "*the strongest and most favourable correlations with organization-relevant (attendance, performance, and organizational citizenship behaviour) and employee-relevant (stress and work–family conflict) outcomes*" (Meyer & Allen, 1991; Meyer et al., 2002).

Psychological Sense of Community – recently transposed to the field of management by Boyd & Nowell (2014) – aggregates several dimensions (membership, influence, integration and fulfilment of needs, shared emotional connection, and responsibility) with relevance to "*rebuild companies as communities for the long-term success of the firm*" (Mintzberg, 2009).

Extra-role discretionary behaviours, namely *Organizational Citizenship Behaviour*, are essential to "*promote the effective functioning of the organization*" (Organ, 1988).

Communication, participation, and facilitation are key strategic drivers to "*positively influence specific individuals and groups during a change process*" (Kotter & Schlesinger, 1979).

Being the firm a "*unique integrated system of structure-plus-processes-plus-culture*" (Vargas, 2005), the integration of these three dimensions is crucial to organizational success.

They are the result of "*a set of choices, along organizational history*", which determine its uniqueness, identity, and differentiation.

Particularly its culture – strongly influenced by employees and their leaders, within groups, and shaping the whole organization – determines essential aspects of organizational life: "*formal interaction patterns, shared working norms, beliefs about essential business aspects, values, informal decision taking criteria, community belonging regulation, tactical agreements, and conduct and communication codes*". They are critical aspects for organizational development with strong implications on firms' effectiveness.

Individual *engagement* is an essential ingredient of active participation in *self-assessment processes*; on the basis of several approaches to *organizational excellence* (e.g., EFQM, 2013).

These were the main theoretical references associated with the work which has been developed along the 1st cycle of the intervention (**Strategy Determination**).

For the 2nd cycle (**Strategy Implementation**), the focus has been set on Employee Training and Development, Organizational Communication, Adoption of Best Practices, Work Process Optimization, and Supporting Tools Implementation.

Concerning *Employee Training and Development,* Meister (1998:22) enhances its evolution to a completely new paradigm, "*from training to learning*", with new characteristics – including

> "*anywhere, any place, building core workplace competencies, incorporating action learning, shifting from individual to team, developing corporate universities, facing learning as a continuous process, and focusing on real problem solving*".

The Corporate University, "*as a metaphor for learning*", represents a cohesive structure, with *proactive focus, strategic scope, enrolling on just-in-time learning, and increasing on-the-job performance*.

It should not only cover "traditional" training, but address (p. 90) *new areas*:

- "*corporate citizenship" (culture, values, traditions, and vision)*,

- "*contextual framework" (grounding employees on an appreciative vision of the company, its customers, competitors, and best practices), and*

- *development of "core workplace competencies" (learning to learn, communication and collaboration, creative thinking & problem-solving, technological & global business literacy, leadership development, and career self-management skills)*".

Organizational communication plays a central role on organization development and change.

Krone, Kramer, & Sias (2010) refer that it has expanded "*to address the effects of small group networks, superior-subordinate communication, and communication climate on employee satisfaction and performance*".

Jones et al. (2004) enhance the need to "*understand the communication of organizational change*", and to "*explore diversity and the intergroup aspects of communication*".

Concerning *participative processes*, Seibold & Shea (2001:665) enhance its role, asserting that "*communication may moderate the effects of various types of participation or involvement programs*".

These were the main foundations concerning the theoretical line of thoughts and orientations applied during the Strategy Implementation Cycle, and which address the Organization Development dimensions of the organization which point out to address the "people" dimensions of the organization – targeting ndividuals, groups, teams, and the organization as a whole.

As previously argued they integrate a kernel, no negligible, dimension, which is a major determinant of organizational effectiveness.

However, despite being a foundational basis of the organizational system, it must be integrated, on practice, with adequate formal processes and tools.

So, a major reference must be given here concerning the last essential aspects of its theoretical foundations and "best practices" which, being relevant for the IS/IT areas, were considered as relevant orientations and principles applied during the second cycle of the intervention.

On *software process improvement* (SPI) Muller, Mathiassen, & Balshoj (2010) emphasize that a significant number of publications on the subject address SPI with a *primary focus on organizational change*. They refer strong evidence that "*effective management of change during SPI requires serious consideration of context and underpinning values*".

One of the most used frameworks for assessing *software development process maturity* is the Capability Maturity Model Integration (CMMI) from the Software Engineering Institute. It integrates a set of "*best practices that help organizations to improve their processes*" (CMMI Product Team, 2010; Chrissis, Konrad, & Shrum, 2011), and specific orientations for a *formal appraisal process* (SCAMPI Upgrade Team, 2011) conduction to a *certification*.

Its staged "CMMI for development" representation considers, for maturity level 2, seven main practice areas to be evaluated: *requirements management, project planning, project monitoring and control, supplier agreement management, measurement and analysis, process and product quality assurance, and configuration management*.

Essentially, these areas focus around project management, as an initial basis to, along further levels, promote best practices' "*institutionalization*".

So, adoption of *project management* best practices (e.g., as prescribed in PMI, 2013) should be considered as important initiatives to support a software process improvement progression to this level of maturity.

The implementation of a flexible and extensible IT *project management tool,* covering most of these practice areas with the necessary process and data, is essential to sustain a controlled environment; facilitating the progression to upper levels of maturity.

Planed transformational changes (as characterized by Porras & Robertson, 1992; Van de Ven & Poole, 1995; Caetano, 2001; Weick & Quinn, 1999; Tushman & Romanelli, 1985) – covering socio-technical aspects within the organization, following a systemic view, and targeting double-loop organization development and learning (Argyris, 2002) – should not act over *isolated* aspects of organizational life, following a mecanicist view. They, necessarily, must consider *all the relevant dimensions as being part of the whole*; integrating people, group, inter-group, and organizational levels onto a dynamic living paradigm.

In fact, positivistic and reductionist views of organizational systems – although giving important contributes to explain isolated parts of the whole phenomena; identifying relevant constructs and variable dependencies; and providing relevant knowledge as a basis for organizational interventions – are not sufficient to study and test global mechanisms and pre-conditions associated to the whole system which must be present in order to produce major transformational changes inside real organizations.

These were the *main assumptions and theoretical references* for the work which has been developed along this two-cycle intervention.

Its deeper analysis and development will be further covered in the Chapter entitled as "Knowledge base – Literature Review and underlying theories".

1.4   Intervention

The current set of interventions has been *developed within the Information Technology unit of a major Portuguese Bank* which provides application development and infrastructure management services to all the organization; having internally about 500 employees, and holding a structured outsourcing contract, for IT infrastructure, with a major IT international supplier.

The intervention has started with a Diagnostic phase, where – through a proper questionnaire (OCAI, Cameron & Quinn, 1998), a set of focus group sessions, and a group of semi-structured interviews – it has been possible to obtain a "picture" of the current culture, as well as an image of the desired culture.

These actions have *involved all employees and its managers / leaders, as well as top-representatives of the main internal customers.* They facilitated a better identification of existing gaps, and associated problems; providing a good basis to tailor (design and plan) the intervention.

The first cycle of the program – named as Changing IT – has been mainly developed along 2009, and has involved all the IT Unit employees.
Communication, engagement, action, and improvement were the most relevant attributes of the process.
It has integrated a structured set of actions with the *main objectives* of developing a S*ervice Culture*; harmonizing more effective *Leadership practices,* and promoting extensive *Employee Engagement and Participation*.
It has been *set-up and implemented by* an internal team, supported by external consultants, coordinated with the IT management team, facilitated by a Team of Change Agents, and sponsored by IT top-level management.

The *second organization development cycle* – integrating a set of *strongly interrelated structural actions*, targeting Employee Satisfaction, Motivation, and Teams Effectiveness, within areas such as Training, Development, and Communication, Leadership practices, Best Practices Adoption and Work Process Optimization, and Supporting Tools Implementation – has *implemented new strategic directions* (as an *organizational learning effect* from the 1st OD cycle) using specific project teams, IT top-management sponsorship, specific Steering Committees, and benefiting from a wide support and cooperation provided by all employees directly involved.

Concerning the *kind of change* (Porras & Robertson 1992) which has been promoted along this two-cycle organization development program, it can be classified as a 2nd order planned change (multidimensional, multi-level, radical, and discontinuous; involving an organizational paradigms rupture), this is, transformational; targeting "*changes in organizational climate and culture, with significant changes on working processes, organization structure, conception, and management, according to a previous plan*" (Caetano**,** 2001).

It configures a scenario of planed change (Van de Ven & Poole**,** 1995) built at the level of a single entity – with development induction through a cycle of goal formulation, implementation, evaluation, and modification of goals based on what was learned.

According to Weick & Quinn (1999) it can be characterized as an episodic change (infrequent, discontinuous, and intentional) occurring during divergence periods; where organizations are moving away from their equilibrium conditions (Punctuated equilibrium model, Tushman & Romanelli**,** 1985).

In fact, the 1st cycle (strategy determination and engagement), together with the 2nd cycle (implementation of structural actions), exhibit these characteristics and configure (Argyris, 2002) a *double-loop organization development and learning process.*

Details concerning the Action Research problems, questions, objectives, and research hypothesis will be exhaustively detailed within the Chapter "Research Meaning and Directions", being the aspects associated with the organizational context, the diagnosis, development, and evaluation of the intervention presented at the Chapter entitled as "Change design and development".

1.5 Main Results and Research Contribution

By the end of the Chapter entitled as "Change design and development" the essential aspects of Change evaluation criteria and results, covering both cycles of the intervention, will be exhaustively presented. Following this, at the beginning of the Chapter entitled "Reflection & Main contributes" a proper reflexion is made over these main results and its global effects, as a previous step to the evaluation of Research results.

It includes, as *most significant*:

- a common set of meaningful Values;

- new positive problem solving practices;

- enforced Organizational Commitment and Employee Engagement;

- enhanced Psychological Sense of Community;

- significant improvement of Leadership practices;

- strong enforcement of Internal Communication;

- relevant Strategic Initiatives;

- new Organization Development Structures; and

- improved Processes, Tools, and Practices.

Besides these prominent results (which solved relevant strategic problems within the organization) *a global chain of effects must highlighted*: a high increase on Employee Satisfaction, followed by a relevant improvement on Service Quality, promoting high levels of Customer Satisfactions, and a relevant Internal and External Recognition.

From a theoretical point of view these results and achievements mean that an *empirical gap* (solving problems within context and introducing direct improvements with evident results), as well as, a *methodological gap* (developing a set of methods and procedures within the organizational settings, thus inducing learning with capability for future application) *have been fulfilled.*

From the action research intervention, also relevant research findings must be highlighted as emergent knowledge. In fact, within the context of this research two main contributes have emerged.

They correspond to theoretical meta-knowledge which can be further applied on subsequent interventions by practitioners, or used to develop new academic research.

So, this *emergent knowledge* must also be considered as a *relevant theoretical contribute*.

The first one is a Framework of Critical Success Factors for Holistic Change. It is directly related with the achievement of the research objectives and hypothesis confirmation.

The second corresponds to a Pragmatic Approach to the Action Research Process. It has been developed and tested along the intervention. It identifies and describes the main sub-processes and data of Action Research which is collected and updated along the process.

Both are extensively detailed, in a comprehensive form, at the end of Chapter entitled as "Reflection & Main Contribute".

1.6 Future Research Opportunities

Having the intervention prepared people, structures, and systems to address new levels of Quality (including mobilizing dynamics; reframed values and behavioural systems; increased self-confidence and trust; organization-wide skills and competencies; participation mechanisms; new tools and processes) an opportunity exist to use these results and tools (which have become effective) to take a second step towards Organizational Excellence. A self-assessment process, conciliating a diagnostic approach with an award-like approach, following the EFQM Model, is an effective research opportunity which can be conducted within these organizational settings.

Another research opportunity exists in order to test and complete the Pragmatic Approach to the Action Research Process which has been developed.

These are the two main opportunities that, among others, are further detailed at the Chapter entitled as "Limitations and future research opportunities".

1.7 Thesis presentation structure

An Action Research Dissertation, due to its specific nature and characteristics (quite different from a positivist traditional approach), must give evidence and enhance a set of important aspects which emphasize its own purpose, nature, validity, and outcomes.

As referred by Herr & Anderson (2005:1):

> "*Dissertations in the social sciences are not what they used to be. Before the advent of more qualitative and action-oriented research, advice on how to do the standard five-chapter dissertation was fairly clear. Students were advised to begin in linear fashion, producing the first three chapters for the proposal defense and then adding a chapter to report findings and another for implications and recommendations after the data were gathered and analyzed*".

And the authors proceed, stating that:

> "*While action research shares some similarities with qualitative research (and even quantitative research), it is different in that research participants themselves are either in control of the research or are participants in the design and methodology of the research*",

highlighting that, while

"Traditional researchers see their impact on the setting either as positive (as using carefully planned and controlled treatments in an experimental design) or as negative (as contaminating or distorting ongoing events in a natural setting)",

the action research dissertations

"Contain a local perspective that few traditional researchers are able to provide", which forces the researcher to "think not only about what knowledge they have generated that can be fed back into the setting (local knowledge) but also what knowledge they have generated that is transferable to other settings (public knowledge)".

This implies that, *to give evidence of*, both, *rigor* and *relevance*, an Action Research Dissertation must balance all these aspects, thus implying a structure that is quite distinct from the previously referred "*five-chapter dissertation*".

According to this, the **main chapters of this Doctoral Dissertation**, thus, develop the essential aspects related to the research which has been conducted, including:

- *Chapter 1: Introduction* – an *introductory summary* of the essential aspects associated with the action research work which has been developed: strategic approach, research paradigm, main theoretical foundations, intervention, main results and contribution, and future research opportunities;

- *Chapter 2: Research Meaning and Directions* – including motivation, problem definition, the formulation of research questions, objectives, and research hypothesis;

- *Chapter 3: Knowledge Basis* – a result of the literature review, detailing (1) the strategic positioning and (2) the main theoretical basis associated to the domains of the intervention, which together form the knowledge starting point to plan, design, and implement the associated transformational change; also including details concerning (3) essential aspects related to major Organization Development and Change approach strategies; as well as with (4) Organizational Research Methods and Paradigms; and, further on, focusing on the (5) Action Research Paradigm from an insider researcher positionality;

- *Chapter 4: Change Design and Development* – presenting the Context; the details for each of its two Development cycles; Evaluation criteria; Results; and main Achievements;

- *Chapter 5: Reflection & Main Conclusions* – reflection on the change intervention, its results, and global effects; detailing the specific approach to the action research process; and highlighting the research results and contributes;

- *Chapter 6: Limitations & Future Research Opportunities* – exposing some restrictions and limitations inherit to the research, as well as, some interrelated and interesting subsequent research opportunities.

2 RESEARCH MEANING AND DIRECTIONS

MOTIVATION	▪ RESEARCHER'S MOTIVATION
	▪ ORGANIZATIONAL COMMITMENT
PROBLEM DEFINITION	▪ ORGANIZATIONAL PROBLEMS
	▪ RESEARCH PROBLEMS
	▪ SYNTHESIS
QUESTION FORMULATION	▪ ORGANIZATIONAL ISSUES / QUESTIONS
	▪ RESEARCH OPPORTUNITIES / QUESTIONS
OBJECTIVES	▪ ORGANIZATIONAL GOALS
	▪ RESEARCH OBJECTIVES
▪ RESEARCH HYPOTHESIS	

In order to make sense for the research – and, simultaneously, to focalize, plan, and design in advance the essential aspects of the associated organizational intervention – it is necessary to predefine (and to give evidence of) the main underlying *problems*, its definition, associated issues, *questions* to be addressed, *objectives*, and research *hypothesis* to be confirmed on action within the organizational settings where the research takes place.

Concerning this, Coghlan & Brannick (2010) referring to the Dissertation Proposal as

"Your statement that what you intend to do is such that you know what you are getting yourself into (through showing familiarity with both the organizational setting and some relevant literature), that what you intend to do is worthwhile, and that you have a potential contribution to knowledge to make",

identify (p. 60) four areas that an insider action research proposal needs to address, namely:

• *"Context – referring the social and academic context of the research;*

• *Action – covering the basic thrust of the action intended to be taken or leaded;*

• *Research – describing the focus of inquiry in action;*

• *Insider action research – bringing the focus specifically on insider inquiry"*.

For each of these areas, they identify a set of *initial typical questions* which must be addressed as part of the research proposal, providing a clear separate set for the *Action:*

"what is the action?; what is the rationale for this action?; why is it worth doing?; what is the desired future?; what is the present situation?; what is the plan to move from here to there?; what is the time schedule?; with whom will you collaborate?; where do you, as the researcher, fit into the action?; what are the ethical challenges?",

and for the *Research:*

"What is the rationale for researching this action? What is the contribution to knowledge that this research intends to make? How do you intend to inquire into the action? How do you ensure quality and rigour in your action research?"

dimensions, corresponding to *distinct concerns*.

Referring to the writing of an Action Research Dissertation (p. 143) – in particular to its purpose and rationale – they enhance that

> *"When you present the purpose and rationale of your research you are, in effect, presenting its academic context, which involves stating why the action you have chosen is worth doing, why it is worth studying and what it is that it contributes to the world of theory and practice".*

With an explicit reference to *meta-learning* in Action Research (pp.11-12) they denote that in any action research project

> *"There are two action research cycles operating in parallel: one cycle, concerning constructing, planning, taking action and evaluating in relation to the achievement of the project's aims; and another one, corresponding to a reflection cycle which is an action research cycle about the action research cycle".*

Citing Zuber-Skerritt & Perry (2002), they adopt the denomination for a *core (1st one) action research cycle* and for a *thesis (2nd one) action research cycle*, both of them applicable to research for academic accreditation.

Referring Argyris (2003) – which argues that "*this inquiry into the steps of the cycles themselves is central to the development of actionable knowledge*" – the authors corroborate that

> *"It is the dynamic of this reflection on reflection that incorporates the learning process of the action research cycle and enables action research to be more than everyday problem solving",* thus being *"learning about learning - in other words, metalearning".*

Evoking *Mezirow's (1991) forms of reflection* – operating at the individual, interpersonal, and organizational levels, and crossing four main *territories* (intentions, planning, action, and outcomes) – the authors claim that "*action research aims to develop awareness, understanding and skills across all these territories*", stating that

> *"As an action researcher you try to understand your intentions, to develop appropriate plans and strategies, to be skilled at carrying them out, to reflect on how well you have carried out the plans, and to evaluate their results".*

Based on this knowledge and recommendations – having, however, the clear conscience that the *action* and the *thesis* dimensions (as defined by Zuber-Skerritt & Perry, 2002) are strongly interleaved along all the research cycles (thus, being not dissociable) – the current dissertation adopts a structure where they are made explicit individually.

This applies particularly to the topics concerning *Problem Definition*, *Question Formulation* and *Objectives*.

2.1 MOTIVATION

Motivation to engage on a wide, complex and transformational research and change project needs, at least, two evident *pre-conditions*: *researcher's motivation and organization's commitment.*

2.1.1 Researcher's motivation

Concerning the *individual researcher's motivation* Osborne, Marks, & Turner (2004), which have conducted a large-scale study in the UK exploring the decision making of mature students to return to education, have identified *six categories of people*: "*delayed traditional student*", "*late starters who have undergone a life-changing event*", "*single parents*", "*careerists wanting to progress in their existing jobs*", "*escapees to get out of dead-end jobs*", and "*personal growers*".

These categories highlight distinct motivating factors that may encourage people to re-enter education, while at the same time the categories reinforce how older students are taking on study often under very different circumstances to their younger peers.

For "*personal growers*" they found three positive factors influencing the decision to become a student: (1) "*interest in the subjec*t", (2) "*opportunity presents itself now*", and (3) "*prove that I can do it*". For "*late starters*" they identified positive factors, including: (1) "*cathartic experience as stimulus*", (2) "*current opportunity – 'time for me'*", (3) "*self-belief – 'If they can do it so can I'*", and (4) "*altruism*".

Being responsible for an IT Quality Improvement and Organization Development unit; having (1) a past experience in Management Consultancy; (2) a special learning and research interest on Organizational Change; and (3) a specific major Organizational Transformational Program on hands; has been (using a *heat-fuel-oxidizing* and *means-motive-opportunity* allegory) the main triangle to *ignite* this action research project, producing a *chain reaction,* and targeting, simultaneously, significant organizational improvement *results*, relevant *learning*, and emergent actionable *knowledge*.

According to this and to my personal characteristics, I believe that my motivation tends to clearly classify me as a "*personal grower*", with some motivational characteristics of a "*late starter*" (or, at least, blended with a certain dosage of *altruism*).

Coghlan (2006), focused on Insider Action Research Doctorates, and reflecting on the executive action research doctorate in terms of the

> "*engagement of the individual manager–researcher in first person inquiry, the collaborative activities with others in second person inquiry and the third person contribution of actionable knowledge to the practitioner and academic communities*",

synthesizes quite well, the set of characteristics, issues, roles, and outcomes associated with this kind of organizational research process which, in my mind, has triggered the decision to face this personal challenge.

Specifically, among other relevant aspects, he refers, in a very seductive form, some bullet points which – for a researcher interested in the development of its own organization and knowledge – belong to his critical motivational path to decision:

- *"participants undertake a research project as insiders of their own organizations, frequently through an action-oriented approach such as action learning and action research;*
- *Such research aims at generating actionable knowledge, which can be defined as knowledge that is useful to both the academic and practitioner communities;*
- *They also foster the development of the executives as practitioner–researchers;*
- *The context for insider research, particularly insider action research is the strategic and operational setting that executives confront in their managerial working lives;*
- *Issues of organizational concern, such as systems improvement, organizational learning, the management of change and so on are suitable subjects for action research, since (a) they are real events which must be managed in real time, (b) they provide opportunities for both effective action and learning, and (c) they can contribute to the development of theory of what really goes on in organizations;*
- *Executives who undertake an action research project in and on their own organization do so while a complete permanent member, by which is meant, that they want to remain a member within their desired career path when the research is completed;*

- *The researchers are already immersed in the organization and have built up knowledge of the organization from being an actor in the processes being studied. This knowledge comes from the actor engaging in the experiential learning cycles of experiencing, reflecting, conceptualizing and experimenting in real life situations;*

- *The primary purpose of action research is to produce practical knowing which is embodied in daily actions by the manager–researcher and the development of learning organizations and which aims to guide inquiry and action in the present".*

Being appointed as program manager for this major organizational intervention, I could not find any better set of arguments to denote the characteristics which have motivated me to embrace this challenge, following such an interesting insider research paradigm.

Now, *after the research*, I also add one simple, but seducing, ingredient: "*to work with persons, for persons, on behalf of persons – simultaneously developing my personal skills, my engagement with people, and changing the way they look and feel their organizational world*".

Using a dualism between process and results – often found on organizational and personal improvement's discourse – I found myself working with enthusiasm for my organization; improving my own knowledge; developing myself; getting satisfied with the process; being aware of the results; planning for new developments; acting; and, again, getting new results, reflecting on it, and engaging for the next cycle.

Due to this, my final reflection on the subject told me that:

"***Individual motivation is not just a state of mind, but, also, an ongoing process, which must be (self) stimulated, engaging our self on higher levels of relevant action and values***".

2.1.2 Organizational commitment

Although necessary, strong researcher's motivation is, undoubtedly, not sufficient to trigger, develop, implement, and sustain this kind of research which is combined with an organizational change cycle.

Active *Organizational Commitment is also a critical condition* for the success of such an endeavour; particularly *when Individuals and Groups are* the *main targets and agents* of Change.

Buchanan & Bryman (2011:pp.6-7) – concerning the "*system of influences on choice of organizational research methods*" – refer, among others, some aspects related to "*political properties*", enhancing that

> "*Researchers are routinely engaged in political actions in at least four ways, when negotiating research objectives, obtaining permissions to access respondents, aligning with stakeholder groups, and when attempting to publish findings*".

Citing Korczynski (2004), and using the term "*gatekeeper*" (as "*anyone in a position to decide whether or not a research Project can proceed at a given site*") they clearly refer that:

> "*Researchers often find themselves negotiating their objectives with the 'gatekeepers' who can sanction or block their work*".

Following a positive path to organizational change several authors (e.g., Armenakis et al., 1993); Miller, Johnson, & Grau, 1994) refer *readiness*, *openness*, *sponsorship*, and *commitment to change* as favourable conditions to create active engagement and involvement to lead and participate on challenging change programs, *modifying the status quo, and solving important organizational problems*.

The existence of *relevant organizational problems*, and a strong *concern* and *willingness* to solve them, is a major organizational *driver* to face any change challenge.

In the current situation, on the organizational side, there was a strong *motivation* to engage on a major transformational change, solving problems related to Leadership alignment and improvements on Customer orientation.

The regular Customer and Employee's Satisfaction Survey evidenced these issues, *strongly indicating for a "crisis" situation on leadership practices, with relevant impact on employee motivation, group effectiveness, and customer services' quality.*

A newly appointed IT Top Manager got strong awareness of the fact.
He had already promoted organizational structure changes, and created a new Customers Support unit. But he had also a clear vision (and sense of urgency) that much more should be done within the *people* and *process* dimensions to allow, and sustain, future improvements.

IT Employees and Managers were also aware of the situation – evidencing some discomfort with the status quo.

Some improvement proposals were latent.

So, this confluence of factors has created the proper conditions to trigger the program and a supportive environment to facilitate the process and its engaging dynamics.

2.2   PROBLEM DEFINITION

Gummesson (2000) considers that action research "*is about research in action and does not postulate a distinction between theory and action*".

It always "*involves two goals: solve a problem and contribute to science*"; putting a double challenge on the researcher:

"*To engage in making the action happen and to stand back from the action and reflect on it as it happens in order to contribute to the body of knowledge*".

Referring to the "*dual imperatives of action research*", McKay & Marshall (2007) enhance "its interest in and commitment to *organisational problem solving*, and its interest in and commitment to *research, and the production of new insights and knowledge*" – arguing on the subject, and concluding that

"*The conduct of action research may be enhanced through conceptualising action research as being comprised of two interconnected cycles of interest: a problem solving interest, in which researchers and participants collaborate to ameliorate and change a situation of concern, and in so doing, hopefully learn about the problem, and the problem solving process, and a research interest, in which researchers adopting a particular theoretical stance clarify their objectives and required actions in terms of building understanding and advancing knowledge within a domain of interest*".

So – on a straightforward view – the Action Research problem definition implies a double formulation, concerning its "*organizational*" and "*research*" dimensions.

Similarly, this *double-face formulation* applies to the typical Research Questions and Objectives items – where there is a clear distinction on the nature of its "*organizational*" and "*research*" interrelated dimensions.

2.2.1 Organizational Problems

Despite important organizational changes which had been done at the level of organizational structures prior to the current research program, some organizational problems still persisted; pointing out to the need of addressing areas such as Customer orientation, Leadership practices, and Employee engagement.

Also, there was wide consensus on the need to improve areas such as Internal Communication, Project Management, Process Improvement, Tools' adoption, and Workforce development.

At IT Top Management level there was a clear notion that changes should be deeper; involving the active participation of all IT Employees, along an integrative, multidimensional, approach.

The Bank's Executive Board, particularly the member responsible for the IT function (CIO) was aware of the problem and committed to make a significant investment of its solution.

The transformation should not address only isolated areas of IT functions or processes, but, mainly, should involve a participative, planned, and managed process to deal with all these problems on a structured way: addressing all the issues, and identifying, on a wide systemic view, other relevant problems; involving all IT Employees, their Managers, and Internal Customer representatives.

2.2.2 Research Problems

The complexity of the interrelated kind of problems, and the nature of Change to be addressed, have revealed as good sources to formulate *research problems* and associated *questions*.

Being the required dynamics completely new within these settings, it would be *necessary to find a process* to:

• address a *complex, transformational, planned* change;

• using a *multidimensional and integrative approach*, based on an holistic, open systemic vision;

• targeting IT *Quality Improvement and Organization Development* actions, on a wide and integrated form (using TQM and Organizational Excellence visions);

• involving the *empowerment and the use of parallel structures* (networking as a complement to the traditional hierarchical structures) to support participative problem solving;

• benefiting from a *sustained sponsorship* from all management levels.

Also, *the approach should consider that*:

- *there is no "best unique process or solution"* for a complex set of problems; thus adopting an open and participative view, within the context, and searching for a combination of new and existing approaches;

- there a *set of interconnected critical success factors* for the process, which must be identified and addressed;

- the process should not only deliver its own direct results for the identified problems, but also *produce structural results* in terms of a "toolkit" emerging from the process itself;

- *organizational double-loop learning* should be a result from the program;

- some of the outcomes should be reflectively evaluated, in order to enhance what is the *emergent knowledge*, (1) for the organization, and (2) for a more global community.

2.2.3 Synthesis

The nature of the organizational and research set of problems – in what refers to the choice of the research and change paradigm – *points, clearly, for Action Research.*

It should involve a Transformational Change program (multidimensional, multi-level, radical and discontinuous, involving an organizational paradigm's rupture), in order to develop, anticipatively, a new strategic vision for relevant IT organizational unit's vital functions and processes (double-loop learning).

2.3   FORMULATION OF QUESTIONS

For some research approaches – where the researcher puts himself outside the research context, maintaining only the control over the experiment, but neither influencing nor changing the observed reality, and, frequently, using a positivist attitude – the research questions, models, and hypothesis are clearly formulated in advance.

Tests are done to confirm hypothesis, and, often, the objective of the research consists almost exclusively in the filling of a theoretical gap.

The process develops new theories associated with the emerging knowledge; which, in turn, aim to be further applied on a generalized way; and used for subsequent research in the field.

A theoretical self-feeding process is subjacent to this kind of research.

Not being the strict objective of the current research to fill, explicitly, a *theoretical gap;* but, mainly, to fill an *empirical gap* (solving problems within its context and, as a result, introducing direct improvements, with evident results)**,** and also a *methodological gap* (developing a set of methods and procedures within the organizational settings, which induce learning, with capability for future application to the same settings); the *Action Research* paradigm has been considered as the most adequate for the purpose.

Due to its *participative, iterative, longitudinal, and exploratory nature*, particularly when involving holistic change, the associated *questions are not completely formulated in advance*; *being, frequently, chained along the research cycles.*

Often, the response to these questions, conditions the subsequent action steps, driving the researcher to other chained questions.

This is a consequence of the adoption of a *non-deterministic* approach to change, involving participative processes.

It has been, undoubtedly, the current case.

2.3.1 Organizational issues/questions

The organizational change cycles of the Program can be seen as a *two-stage major transformational process*:

- Strategy *determination* – including organizational diagnosis, change definition and planning, training, communication, engagement, action identification, and decision; with a double-target of (1) preparing Employees for participation attitudes, and, simultaneous, (2) identifying and deciding on strategic actions;

- Strategy *implementation* – covering the coordinated planning, development, and implementation of a group of strategic actions decided along the program.

So, although targeting pre-identified problem areas, the *only possible organizational change questions* which could be formulated in advance *without any preconception regarding its answers*), were:

- What is the context and the main associated problematic areas, issues, and change objectives?
- Within this context, what is a feasible structure of approach to the intervention?

- What are the current organizational culture characteristics and its associated main problems?
- What are the desired culture characteristics and its associated nuclear values?
- What is the gap between the current and the desired organizational culture?

This set of high-level initial questions corresponds to the essential work which has been addressed during the diagnostic stage of the first cycle of the intervention.

Based on a joint analysis and decision (consensual between the researcher, the consultants, the management structure, and the navigation team) the intervention had been planned and further questions were identified along the program, benefiting from wide employee participation.

The table below (Figure 1) depicts the most relevant high-level change questions formulated along the Action Research program during this first cycle (Strategy determination).

#	STEP	MOST RELEVANT QUESTIONS
1	**Current Culture versus Desired Culture Diagnosis**	Q00 – What is the context and the main associated problematic areas, issues, and change objectives? Within this context, what is a feasible structure of approach to the intervention? Q01 – What are the current organizational culture characteristics and its associated main problems? Q02 – What are the desired culture characteristics and its associated nuclear values? Q03 – What is the gap between the current and the desired organizational culture? Q04 - What are the next stages, steps, and essential characteristics to enhance within the program?
2	**Service's Culture Workshop**	Q05 – What is the level of Employees adherence to the new Services' Culture? Q06 – How to implement the Values of the new Culture, through Employee Attitudes and Behaviours?
3	**Change Agents Team Preparation**	Q07 – What is the role of the Change Agents? Q08 – What is its required Profile for selection? Q09 – What is the training to be provided to them?? Q10 – What are the relevant Case Studies to be discussed by the Employees?
4	**Preparation of the Communication Plan and launching of the Program's Site**	Q11 – What is the target population, its subgroups, and specific positioning? Q12 – What are the key communication events and associated specific communication needs (messages)? Q13 – What are the most appropriates communication channels to be used for each circumstance? Q14 – How to guarantee feedback along the process and to evaluate the respective results?
5,9	**Leadership Training (Modules I and II)**	Q15 – What are the essential aspects for training the Team Leaders on its individual relationship with each team Member? Q16 – What are the critical leadership competencies to train the Leaders on their relationship with his work Team?
6	**Conduction of 5 Cycles of *Learning Meetings***	Q17 – What is Employees' perception concerning the problematic situations and issues illustrated by the cases? Q18 – What is their participation level (engagement) on its debate? Q19 – What are their action proposals to solve the problems identified during the meetings?

#	STEP	MOST RELEVANT QUESTIONS
7	**Presentation of Improvement Proposals to Top-Management**	Q20 – What is the form of systematization / structure to present the conclusions for each learning meeting outcomes? Q21 – What are the perceptions of situation / suggestions / proposals (constructive feedback) to enhance?
8	**Proposal Selection and Implementation**	Q22 – What is the perception of Top Management of Employees' proposal presented by Change Agents? Q23 – What are the inherit Decisions and underlying Structural Actions?
10	**Results Evaluation**	Q24 – What is the level of attained results, against the objectives (measured in terms of the pre-defined evaluation parameters)? Q25 – What are the positive outcomes to be retained, reused and to be developed in the future? Q26 – What is the external contribute, in terms of results which can be transposed to other contexts and organizations? Q27 – What is the emergent Knowledge? Q28 – What are the next steps, in order to promote future Quality Improvement and Organization Development?

Figure 1 – Organizational Change Questions: formulated along the organizational intervention
Source: own elaboration.

In fact, as denoted by this table, after an initial set of essential questions – relevant from a diagnosis point of view – most of the subsequent ones (specifically addressed during each of the following steps) had a formulation which was conditioned by the answers to previous questions, and, due to the nature of the approach, have the input (have been identified, discussed, and approved) from the relevant stakeholders.

They correspond to the *diagnostic and planning questions* associated to the "*construction*" step (Coghlan & Brannick, 2010:p. 9) where

"*There is a complex system to be diagnosed, into which interventions may be made with a desired outcome of improvement or transformation*",

having an underlying assumption that

"*Organizations are socially co-constructed and comprise multiple meanings so that there is no single truth to be discovered and no one right way to organize that is independent of the people who make up any particular organization* (Campbell, 2000)".

2.3.2 Research opportunities / questions

As it can be recognized on the previous list, some of the questions issued along the *change process* are, by themselves, also important *research questions*.

However, on a wider perspective, *(re)searching for emergent knowledge* (also applicable outside this organizational context) involves a set of more precise ***research questions.*** They are depicted at the table in Figure 2.

RQ01.	How to successfully address a complex change with these characteristics (planed, multidimensional, integrative, participative, and transformational)? What are the main dimensions and characteristics to be considered?
RQ02.	What structures / functions must be put in place in order to sponsor, manage, and actively support the change process?
RQ03.	How to engage people, developing positive attitudes towards change (and its objectives), and promoting active cooperative behaviours?
RQ04.	How to involve people on positive problem-solving activities, in order to obtain structured contributes to strategic action identification?
RQ05.	How can group networking be conciliated with hierarchy, and used as a complement of traditional structures, in order to cross organizational boundaries, promoting change, cooperation, learning and development?
RQ06.	How can organizational values contribute to this?
RQ07.	What should be the role of communication along the process?
RQ08.	How to get continuous enforcing feedback along the process?
RQ09.	What are the main dimensions, areas which must be addressed, and the associated critical success factors?
RQ10.	What are the major outcomes of such a process?
RQ11.	What can be learned?
RQ12.	How can all this be reused inside and outside the context?

Figure 2 – Research Questions
Source: own elaboration.

They evidence an extreme opportunity to question important aspects of transformational change, using Organization Development lenses, and concerning some critical areas, "ingredients", and possible outcomes of such a complex process.

Naturally, these two sets – of *change oriented* and *research related questions* – overlap, due to the interleaving objectives of action research; or, as previously referred (McKay & Marshall, 2007), the "*dual imperatives*" of action research.

2.4   OBJECTIVES

Target formulation, with a good *balance between organizational goals and research objectives*, is essential. Not only to grant feasibility to the action research proposal, but, also, to keep the project viable along its life-cycle implementation. This is vital. Otherwise it can compromise, either the necessary organizational relevance (responding to stakeholder expectations), or the research rigour (providing the right answers to the right questions), using the adequate approaches.

Concerning intra-organizational research – although the main driving forces emerge from organizational relevance (focusing on organizational goals, objectives, participation, learning, and achievements) – research rigour (formalism) combined with relevant theoretical knowledge integration is crucial to imprint a sound basis to the approach. This combination should facilitate organizational transformation, promote innovation, and produce emergent knowledge.

The integration of both dimensions, of *organizational* and *research* objectives, should produce a synergistic effect, between rigour and relevance; and, simultaneously, sustain the change momentum, facilitating its outcomes.

2.4.1 Organizational Goals

The 1st cycle of Organization Development – entitled as the *Changing IT Program*, developed during 2009, and involving all the IT structure – has integrated a set of structured actions of consulting, training, internal communication, and participation; targeting the following *main explicit **organizational objectives***:

- to develop a S*ervice Culture* – customer oriented, and based on a more open and flexible internal communication structure;
- to develop and harmonize more effective *Leadership practices* – valuating employees coaching, leadership skills development, and team's attitude alignment towards values and principles;
- to promote the *Engagement and Participation* of all employees on the definition and implementation of service and internal functioning improvements.

Along the 2nd cycle of the OD program the objectives – emerging from the 1st cycle employees' participation and associated IT top-management strategic decisions – should cover the implementation of a set of major structural actions targeting Employee Satisfaction,

Motivation, and Teams Effectiveness, covering areas such as (1) Training, Development and Communication, (2) Leadership practices, (3) Best Practices Adoption, and (4) Work Process Optimization and Supporting Tools Implementation.

In Chapter 4 of this Dissertation further details are given for the specific objectives which have been established for each one of these projects.

2.4.2 Research Objectives

Concerning the nature of the research problems, research questions (Figure 2) have been previously set. They took into consideration the characteristics of the desired change, its interrelated target domains, and the non-deterministic nature of the participative approach to be undertaken.

So, considering those elements and the organizational goals, a set of *research objectives* has been defined; as summarized by the table in Figure 3.

RO01.	Develop a process to support a complex planned change intervention, which, simultaneously, address the specific change objectives, and incorporate the role of engagement and participation
RO02.	Develop adequate supportive groups, roles, and actions to manage and enforce change along all the process
RO03.	Develop base anchors, and engaging processes to promote change through active people involvement
RO04.	Design specific environments, and processes to engage people on positive problem-solving, decision, and strategic actions' determination
RO05.	Design a structured process, and a set of working principles, teams, rules and procedures to provide added value to existent organizational structures, in order to implement organizational values, promoting engaged generative learning
R006.	Highlight the role of organizational values alignment and implementation as catalytic drivers of change
RO07.	Develop a continuous communication process and highlight its main features, and supporting mechanisms
RO08.	Develop a process to support a climate of positive feedback which enforces messages and its assimilation by all intervenient

RO09.	Identify the main areas that (together as a whole) should be addressed, and the associated focal aspects which must be considered for those areas
RO10.	Identify the main results of a process with these characteristics
RO11.	Make explicit the knowledge and development outcomes of the process
RO12.	Highlight the internal and external implications of the results of the process, in terms of management and knowledge implications

Figure 3 – Research Objectives
Source: own elaboration.

2.5 RESEARCH HYPOTHESIS

Also, in strict alignment with these research questions and objectives, a set of *main hypothesis* has been formulated; as summarized in Figure 4.

RH01.	A holistic Process, involving People, through Meaning creation, and using an Ethical basis, will create appropriate conditions to facilitate change objectives, and increase satisfaction levels
RH02.	Top Management Sponsorship, a Coordination Team, and an active / independent Change Agents Team, together with Leadership Training and Group Learning Sessions, will promote Leadership practices development, and Employee Engagement and Participation
RH03.	A strong focus on Values and Participation, along group open discussions concerning organizational life, will facilitate active cooperative behaviors and outcomes
RH04.	Small-group thematic (case-based) Learning Meetings, focusing on solutions to problems, within an open, positive and participative discussion, crossing organizational boundaries and supported by independent Change Agents, will produce internal learning and knowledge, as well as objective structured contributes for strategic actions
RH05.	Using a bottom-up mechanism - based on inclusive, open, and participative group discussions, and its transparent presentation to Top Management - will increase cross-organizational communication, cooperation, and change-related significant outcomes
RH06.	Meaningful values shall be a good basis to promote cross-organizational engagement. Participative definition and discussion of those values, across all the organization, will enforce its sharing / alignment, promote positive attitudes around them, and stimulate congruent behaviors
RH07.	Clear Communication along the program, and involving all the stakeholders, will create trust, informing people, engaging them, and getting positive feedback
RH08.	A bi-directional communication process, collecting direct feedback from change agents, and testimonials from managers and employees, will create a positive climate to engage on change,

	contributing to the enforcement of change messages
RH09.	On the Ethics dimension, the success of such a process requires transparency and trustiness, and an active voice process, involving communication, engage, action and improvement.
	Creation of Meaning, should cross all the organizational boundaries, involving the definition of an Inspiring Set of Organizational Values, the use of Study Cases, Transparent Decisions, and Testimonial and Constructive Feedback, supported by an integrative Communication Plan. People must be actively involved, which requires, strong Top-Management Sponsorship, with a Coordination Team, and an active Change Agents Team on the real groundwork.
	Leadership Training is essential to promote Manager Engagement, and get Employee Engagement and Participation.
	An adequate Process must be set-up to promote the desired change – with a Diagnostic Model, a Program Structure, and Evaluation Methodology, and a Rigorous Evaluation of the whole intervention.

Figure 4 – Research Hypothesis
Source: own elaboration.

These research hypotheses – focusing mainly on a framework which underlies the organizational transformation process – address the essential aspects of the transformative process, as a whole, and its main dimensions: ethics, meaning, people, and process.

It integrates a set of critical success factors which are considered as essential to promote the desired change within this settings and characteristics.

3 KNOWLEDGE BASE – LITERATURE REVIEW & UNDERLYING THEORIES

STRATEGIC POSITIONING	▪ "Hard "versus "Soft" approaches to Organizational Effectiveness		
	▪ Internal Dimensions for Performance Improvement		
INTERVENTION DOMAINS	Organizational Culture and Values	▪ The importance of organizational culture within a changing context	
		▪ The meaning of organizational culture	
		▪ A model for organizational culture analysis: the Competing Values Framework	
		▪ The change management process associated with the reference model	
		▪ The essential role of leadership on organizational culture change	
	Leadership and Team Effectiveness	▪ Leadership theories and its vision	
		▪ Team performance models and its topological evolution	
		▪ Leadership and team performance models	
		▪ Summary and conclusions	
		▪ A pragmatic view of Leader's Responsibilities	
	Values and Employee Engagement	▪ Values, attitudes and behaviours	
		▪ Organizational Identification, its antecedents and impacts	
		▪ Commitment, Psychological Sense of Community, and Extra-role Behaviour	
	▪ Support Structures for Workforce Development		
	▪ Process Improvement and Tool Implementation		
	▪ Organizational Communication		
	Quality and Organizational Excellence	▪ A brief historical overview: from craftsmanship to organizational excellence	
		▪ Foundational visions of quality: Deming, Juran and Crosby	
		▪ Quality Dimensional Visions: product, process, customer, culture	
		▪ Main Models associated to Organizational Excellence	
		▪ The EFQM Organizational Excellence Model	
		▪ The importance of Leadership, People & Participation within the EFQM Model	
ORGANIZATION DEVELOPMENT AND PLANNED CHANGE	▪ Organization Development – definition and approaches		
	▪ Organizational Change – its relationship with Organization Development		
	▪ The Human Factor: change-related Attitudes and Behaviours		
	▪ Organizational Change: Theoretical Foundations and Paradigmatic Visions		
	▪ Major Change (Transformational): Approaches, Dynamics, and Processes		
• ORGANIZATIONAL RESEARCH METHODS AND PARADIGMS			
• THE ACTION RESEARCH PARADIGM			

A *pre-condition for the success* of a large-scale, holistic, organizational change intervention, using Action Research, and covering a wide set of Organizational Disciplines, is a *deep understanding of*:

- The theories and scientific foundations of these *material intervention domains*;
- The main aspects related with the *organizational transformation dynamics*, and
- The *formal aspects* directly associated with the *research paradigm*.

Although not being, by its nature, a specific and direct objective for this Dissertation to promote a theoretical development or debate within these areas, it is, however, important to *emphasize some relevant aspects, as significant knowledge applied along the intervention*.

Also, *because the Action Research process is not so usual, so well-understood, and well accepted* as any other (more traditional) research approach – having specific characteristics and evaluation criteria – *special details, concerning this research paradigm, and focusing on insider organizational research, are included*.

3.1   STRATEGIC POSITIONING

3.1.1 "Hard" versus "Soft" Approaches to Organizational Effectiveness

Referring to the Strategic Management process as "*the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns*", Hitt, Ireland, & Hoskinsson (2009) refer two theoretical models, with very different orientations and assumptions, to achieve firm's financial performance.

One of the approaches that they refer (p. 13) is the *Industrial Organization model* – very popular during the 60s to 80s of last century – which considers the *external environment as a primary determinant for the strategies* adopted by organizations to succeed; thus associating a greater influence to the factors related to the industrial sector where the organization develops its activity, rather than to its internally-related management options.

They enhance it as a model which is based on four main *assumptions*:

- "*The external environment imposes pressures and constraints that determine the strategies to produce above-average returns;*

- *Most organizations compete within an industry, or a segment, where they control similar strategic resources, and follow similar strategies;*
- *The resources used to implement those strategies are assumed to be highly mobile across firms, so any differences that might develop between firms will be short-lived;*
- *Organizational decision makers are assumed to be rational and committed to acting in the firm's best interests, as shown by their profit-maximizing behaviours".*

As the approach sequence (figure 5) denotes, within this model "*assets and skills*" are mere instruments emerging from the need to "*implement a strategy*", formulated for an "*attractive industry*" on the basis of its "*external environment*", and targeting "*above average*" returns.
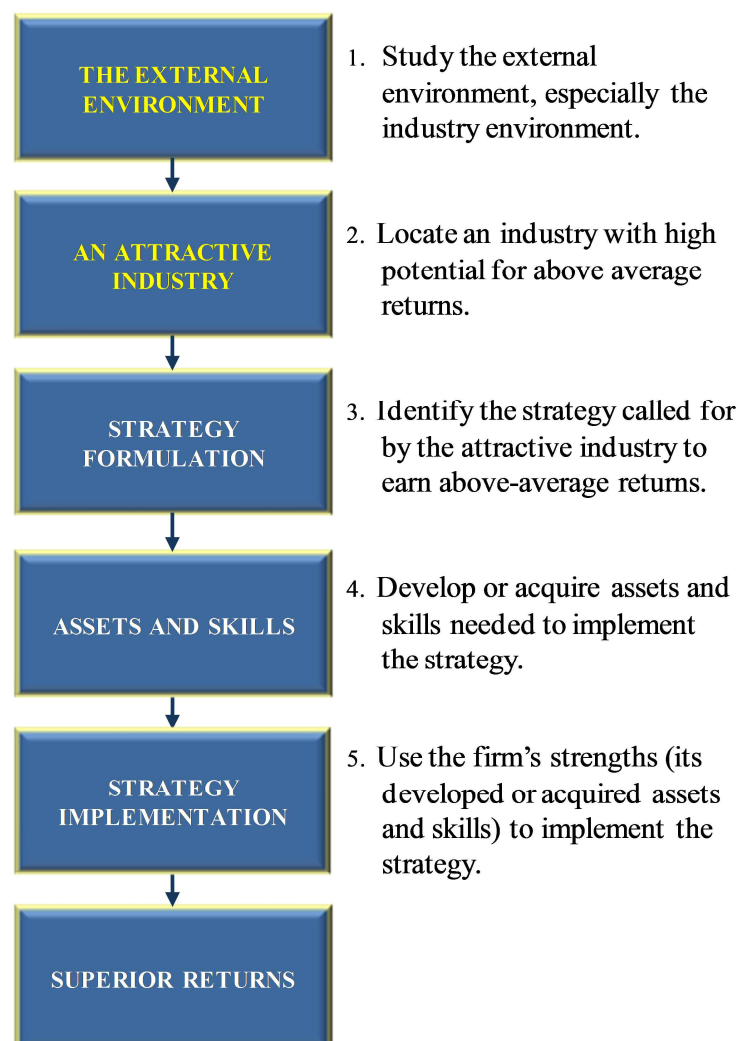
Figure 5 – the I/O Model of Above-average return
Source: Hitt, Ireland, & Hoskinsson (2009)

This approach is strongly associated with instruments where *the external analysis* (e.g., Porter's (1980) Competitive Five Forces) prevails; in detriment of considering the strategic influence of internal factors associated with Resources and Capabilities.

On the other hand the Resource-based Model (figure 6) also referred by these authors (p. 16) is strongly based on the assumption that "*each organization is a collection of unique resources and capabilities*". It starts from that "*uniqueness*" principle to, based on those "*resources*" and on the identification of the associated "*firm's capabilities*", evaluate "*competitive advantages*" for attractive industry or segments, to apply them, thus formulating and implementing adequate strategies in order to earn above-average returns.

RESOURCES	1. Identify the firm's resources. Study its strengths and weaknesses compared with those of competitors.
CAPABILITIES	2. Determine the firm's capabilities. What do the capabilities allow the firm to do better than its competitors?
COMPETITIVE ADVANTAGES	3. Determine the potential of the firm's resources and capabilities in terms of a competitive advantage.
AN ATTRACTIVE INDUSTRY	4. Locate an attractive industry.
STRATEGY FORMULATION AND IMPLEMENTATION	5. Select a strategy that best allows the firm to utilize its resources and capabilities relative to opportunities in the external environment.
SUPERIOR RETURNS	

Figure 6 – the Resource-Based Model of Above-average return
Source: Hitt, Ireland, & Hoskinsson (2009)

This second strategic approach, strongly based on internal dimensions – *resources*, *capabilities* and *competitive advantages* – is, clearly, a line of thought which *invests on the internal value chain,* following an *organization development perspective*.

These quite differentiated approaches to organizational strategy have, also, some parallelism with two other organizational change strategic approaches, referred by Beer & Nohria (2000):

• **Theory E:** where change is based on "economic value" (as for the I/O model), and

• **Theory O:** basing change on "organizational capability" (in consonance with the resource-based view).

Within **Theory E** (a "*hard*" approach, where "*shareholder value is the only legitimate measure of corporate success*") change usually involves "*heavy use of economic incentives, drastic layoffs, downsizing, and restructuring*"; being important aspects such as organizational learning and employee engagement often ignored or reduced to a minor dimension.

On the other hand, for **Theory O** (considered as a "*soft*" approach, where "*the goal is to develop corporate culture and human capability through individual and organizational learning*") the human dimension of change, including "*employee behaviours, attitudes, capabilities, and commitment*", combined with an "*organizational ability to learn from its experience*", are considered as the main route to organizational success.

According to these authors, although responding to very distinct motivations to trigger and approach organizational change, these two archetypes – traditionally seen as antagonist – can be successfully combined.

Supported by real success cases, they stress that none of these two approaches, alone, is a guarantee for organizational success – enhancing that organizations that combine these two approaches are those where the probability of simultaneous successful achievements on profitability, return, productivity, and sustained competitive advantages is higher.

The following table (figure 7) summarily evidences, for each of the relevant dimensions of change, the set of characteristics detailed by the authors for each one of these approaches, as well as for what they consider that "*an integrated approach might look like*".

Dimensions of change	Theory E	Theory O	Theory E and O Combined
Goals	Maximize shareholder value	Develop organizational capabilities	Explicitly embrace the paradox between economic value and organizational capability
Leadership	Manage change from the top	Encourage participation from the bottom up	Set direction from the top and engage the people bellow
Focus	Emphasize structure and systems	Build up corporate culture: employees' behaviour and attitudes	Focus simultaneously on the hard (structure and systems) and the soft (corporate culture)
Process	Plan and establish programs	Experiment and evolve	Plan for spontaneity
Reward System	Motivate through financial incentives	Motivate through commitment – use pay as fair exchange	Use incentives to reinforce change but not to drive it
Use of Consultants	Consultants analyse problems and shape solutions	Consultants support management in shaping their own solutions	Consultants are expert resources who empower employees

Figure 7 - Comparing Theories of Change: Theory E and Theory O
Source: Beer & Nohria, (2000)

Focused on a *Human Resources Management perspective* Truss et al. (1997) also refer these *soft* and *hard* forms as quite distinct approaches – respectively aligned with the *developmental-humanistic* and the *utilitarian-instrumentalist* principles – either putting the emphasis on the *human* or on the *resources* dimensions.

Also, the authors compare the *soft* model with *Theory Y* (McGregor, 1970) approach or notions of "*hermeneutical man*", and, the *hard* model with *Theory X* view, where "*people management needs to be controlled and directed from above*".

They enhance an existing *conflict and tension between these models* – "*compounded by the conceptual difficulties contained within them, particularly concerning the notions of strategy integration and commitment*" – arguing that "*because their assumptions are so divergent, they cannot both properly be incorporated within a single model of human resources management*".

These authors have drawn their conclusions based on eight in-depth case studies, in major UK organizations, and have found that no pure examples of either form existed.

Based on the data obtained on an extensive set of surveys, interviews, and focus groups, they conclude that

"*The rhetoric adopted by the **companies** frequently embraces the tenets of the soft, commitment model, while the reality experienced by **employees** is more concerned with strategic control, similar to the hard model*".

This tension – between two, almost paradoxal, bi-polar views of the organization – are, often, interleaved within organizational life historic periods, and correspond to a *natural struggle* between *economic* survival (external request) and *capabilities* development (internal need).

Boonstra (2004:p. 449) – focused on an Organization Development perspective – highly contrasts "*planed or market-induced change*" with "*organization development*" (table in figure 8) assimilating them, respectively, with "*Theory E*" and "*Theory O*".

Planned change (Theory E)	OD (Theory O)
Organizations as adaptive systems to market demands	Organizations as purposeful socio-technical system
Human beings as social capital to perform objectives	Human beings as creative and collaborative people
Employees motivated by personal advantage	Employees motivated by developing human potential
Managers using position power in steering changes	Managers using personal power in mutual collaboration
Consultants as knowledge-driven experts	Consultants as process-driven facilitators
Organization life as source of shortcomings	Organization life as source of experience
Focus on economic measures of performance	Focus on improvement of effectiveness and working life
New design of business processes	Improvements based on the existing organization
Top-down steering of change process	Utilization of knowledge and insight of personnel
Solution-oriented based on value chain	Problem-oriented based on working experiences
Episodic change with stable end situation	Continuous improvement
Single linear change process	Iterative change process
Techno-economical process rationality	Socio-political process rationality
Strict norms and planning in change process	Regard for ability to change in emergent change process
Start with abstract business models	Start with concrete working experiences
Emphasis on expert knowledge	Application of operational knowledge
Separation of design and implementation of changes	Smooth transition between phases in change
Learning as reflection by change managers	Learning as a collective and ongoing activity
Knowledge development by using techniques	Knowledge development by action research

Figure 8 - "Planned market-induced change" (*Theory E*) *versus* "Organizational Development" (*Theory O*)
Source: Boonstra (2004)

Although being, to a some extent, a radical contrasting picture – enhancing its paradoxes and dichotomies – it reflects, along several important dimensions, a clear distinction between "*hard*" and "*soft*" approaches to change; revealing some important underlying base *believes, attitudes, values, norms, and real-world interpretations* intrinsic to OD theorists and practitioners.

Despite this dichotomist view (but still with some quite evident roots on Organization Development) Boonstra (2004) develops (p. 451) an intermediate perspective on organizational change – which he designates as **Theory C**, **Continuous changing and constructing realities** – with the following characteristics:

- *"Organizing and changing is an ongoing process of inter-activities, sense-making, and self-making;*
- *Human beings construct organizing and changing as social realities by multiple interaction and sensemaking;*
- *Employees, organizational leaders, and consultants interact and work together in a non-hierarchical manner;*
- *Changing and organizing are processes of endless modifications in work processes and social realities;*
- *Changing and organizing are rooted in multiple realities to facilitate ways of relating that are open to new possibilities;*
- *Changing and organizing become continuous and interrelated processes in which all participants are involved;*
- *Focus on agreements and modifications based on interweaving activities, interrelations, and sense-making;*
- *Involvement of all stakeholders as participants in a joint interaction process of creating new realities;*
- *Searching for new possibilities in a continuous process of transformation and learning;*
- *Continuous changing with no end state; accumulation of endless small agreements;*
- *Cyclical process of changing and equilibrium seeking between stability and change: freeze–rebalance–unfreeze–freeze;*
- *Social constructionist rationality in which relations and realities are constructed as real in their consequences;*
- *An ongoing process of improvising, sense-making, and agreeing;*
- *Concrete inter-activities in multiple, local–historical, and social realities;*
- *Changing is a collaborative approach in which everyone contributes as an expert;*
- *Inquiring, intervening, and changing stay joined;*
- *Learning and knowledge development as process of interaction, reflection, and sense-making by all participants."*

The current intervention has, definitively, addressed (on its 1st cycle) the *soft* dimension of culture – targeting committed, and engaged attitudes and behavioural outcomes, emerging from a common vision and set of values – but not forgetting (on the 2nd cycle) the *hard* dimension of *strategy*, *structure*, *processes*, and *competency* development; necessary to provide an adequate response to external requirements (pragmatically increasing a customer-orientation approach).

We believe that, the confluence of these two lines of action, at mid-long term, will produce effective work behaviours, increasing employee effectiveness and customer satisfaction.

But, it is important to stress that *the prime organizational approach should* be enlighten by a strategic vision that *invests on the role of people, along the internal value chain, to promote the development of the organization as a whole*.

Heskett et al.'s (2000) "service-profit chain" (establishing "*relationships between profitability, customer loyalty, and employee satisfaction, loyalty, and productivity*") also confirms this *major role of employees over firm's performance*.

3.1.2 Internal Dimensions for Performance Improvement

Focusing on this internally based view, Burke & Litwin (1992) enhance on their **Causal Model of Organizational Performance and Change** (Figure 9), as crucial aspects on the basis of individual and organizational performance, a set of important internal dimensions. They include **Leadership, Management Practices, Work Unit Climate, Motivation, Organizational Culture, and Individual Values and Needs**.

Their model includes two main dimensions:
- **Transformational:** corresponding to "*areas in which alteration is likely caused by interaction with environmental forces (both within and without) and will require entirely new behaviour sets from organizational members*", and including variables related with *mission* and *strategy*, *leadership,* and *organizational culture*;
- **Transactional:** corresponding to "*short-term interactions among people and groups*", and including, on one side, issues related with *structure*, *tasks,* and individual *skills*; and, on the other hand, with *systems* (policies and procedures), and individual *values* and *needs*, as well as its articulation with *work climate* and *motivation*.
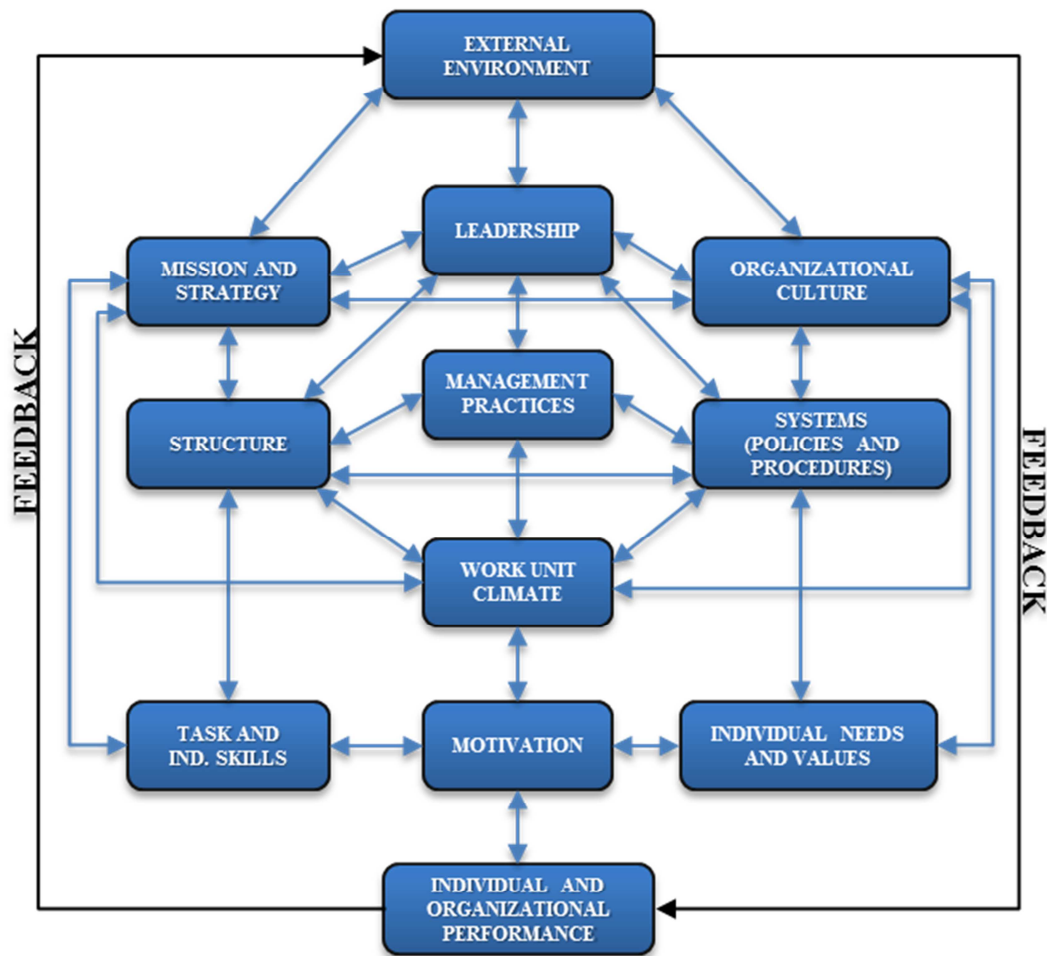
Figure 9 – Burke & Litwin's Model of Organizational Performance and Change
Source: Burke & Litwin, 1992.

On the *transformational* side of change, they refer that it occurs as a response to the external environment and affects directly *mission, strategy, leadership and culture;* being the *transactional* factors further affected, including *structure, systems, management practices, and organizational climate*. Together, these transformational and transactional factors affect *motivation*, which, in turn, affects *performance*.

Within the model, Burke & Litwin (1992) clearly define each of the associated essential concepts, namely:

- "***Mission and Strategy*** *– what the organization's (a) top management believes is and has declared is the organization's mission and strategy, and (b) what employees believe is the central purpose of the organization;*

- *Leadership* – *which consists in executives providing overall organizational direction and serving as behavioural role models for all employees (including include followers perceptions of executive practices and values);*

- *Culture* – *set of implicit and explicit rules, values, and principles that are enduring and guide organizational behaviour (the way we do things around here");*

- *Structure* – *arrangement of functions and people into specific areas and levels of responsibility, decision-making authority, communication, and relationships to assure effective implementation of the organization mission and strategy;*

- *Management Practices* – *what managers do in the normal course of events to use the human and material resources at their disposal to carry out the organization strategy;*

- *Systems* – *standardized policies and mechanisms that facilitate work, primarily manifested in the organization reward systems, management information systems (MIS), and in such control systems as performance appraisal, goal and budget development, and human resource allocation;*

- *Climate* – *collective current impressions, expectations, and feelings that members of local work units have that, in turn, affect their relations with their boss, with one another, and with other units;*

- *Task requirements and individual skills/abilities* – *required behaviour for task effectiveness, including specific skills and knowledge required of people to accomplish the work for which they have been assigned and for which they feel directly responsible;*

- *Individual needs and values* – *specific psychological factors that provide desire and worth for individual actions or thoughts;*

- *Motivation* – *aroused behaviour tendencies to move toward goals, take needed action, and persist until satisfaction is attained".*

Concerning the origin of the model, it is important to enhance that it is the result of "*a good combination between theory and practice*" – or, in the author's explicit words:

- "*the fundamental framework for the model evolved from theory*";

- "*the components of the model and what causes what and in what order, on the other hand, have evolved from our practice*";

- "*the linkage typically is in the direction of theory and research to practice: that is, to ground our consultation in what is known, what is theoretically and empirically sound*".

This model is a main reference. It represents the essential areas which have been addressed along the intervention, namely those depicted in a straight line between the "external environment" and "individual and organizational performance" (Leadership, Management Practices, Work Unit Climate, and Motivation); as well as, Strategy, Organizational Culture, Systems, and Individual Needs and Values.

All these areas have been worked along the first Organization Development cycle of the intervention; being the remaining areas (Structure, Tasks, and Skills) object of special concern for the strategic actions which have been implemented along its second cycle.

3.2 INTERVENTION DOMAINS

Organizational Culture and Values, Leadership and Team Effectiveness, and Employee Engagement have been the main areas covered by a first Organization Development cycle of intervention.

Along a wide participative and generative learning process, it has prepared the ground to face a set of interrelated projects developing Support structures for Workforce Development, targeting Process Improvement and Tool Implementation, enhancing Organizational Communication, and promoting Quality and Organizational Excellence.

So, relevance must be given to these foundational aspects, as representing the most important knowledge areas which has been considered to tailor and develop these organizational interventions.

3.2.1 Organizational Culture and Values

Organizational Culture and Values form the **basis** *of the triangle* addressed by the *Changing IT Program*, where Leadership and Employee Engagement integrate the two other major dimensions. In this sense, it provides the necessary stability for the development of the other two dimensions.

3.2.1.1 The importance of organizational culture within a changing context

In their introduction to organizational culture's change, using the Competing Values Framework, Cameron & Quinn (1998), wisely refer that:

> *"No organization in the twenty-first century would boast about its constancy, sameness, or status quo compared to ten years ago. Stability is interpreted more often as stagnation than steadiness, and organizations that are not in the business of change and transition are generally viewed as recalcitrant. The frightening uncertainty that traditionally accompanied major organizational change has been superseded by the frightening uncertainty now associated with staying the same".*

And they proceed, enforcing this vision, arguing that:

> • *"Although the tools and techniques may be present and the change strategy implemented with vigour, many efforts to improve organizational performance fail because the fundamental culture of the organization-values, ways of*

> *thinking, managerial styles, paradigms, and approaches to problem solving remains the same".*

- *"Modifying organizational culture, in other words, is a key to the successful implementation of major improvement strategies (TQM, downsizing, reengineering) as well as adaptation to the increasing turbulent environment faced by modern organizations".*

These assertions within the context of a framework developed by the authors – which is generally considered as very powerful, and widely used, for organizational culture diagnosis and change projects – give a strong evidence on the need for considering the role of organizational culture as a key factor for Strategic Change and Organization Development initiatives.

This is valid, both, to face change programs imposed by external environment adaptation requirements, as well as, for internally triggered transformational programs which target the preparation of the organization, as a whole, to learn and change.

3.2.1.2   The meaning of organizational culture

There is not a general, widely accepted, definition for organizational culture and for the elements and dimensions which integrate this concept. Several distinct definitions and key components are applied; usually depending on the context of the approach.

Neves (2000) – referring literature reviews done by Kroeber & Kluckholn (1952) on the anthropological domain (which identify 164 definitions for culture), and by Ott (1989) on the organizational culture area (reporting 73 definitions) – enhances the "*lack of agreement between researchers about the contents of culture*"; identifying, however, some common patterns and ideas among authors, namely:

- *"a common reference structure shared by a significant amount of people;*

- *socially developed, learned and transmitted in behavioural, cognitive and emotional terms;*

- *integrating several layers, some peripheral and visible, some others more profound and invisible;*

- *where the base kernel is composed by fundamental assumptions, what some other call also values;*

- *which provides to people orientation rules and norms in order to understand, think and feel organizational functioning problems, either on internal integration, or on external adaptation;*

- *which contributes to the definition of an organizational identity;*

- *with symbolic characteristics, revealed by the meaning expressed on their more observable manifestations, like artifacts and organizational behaviour patterns;*

- *subject to change, although on a not easy way;*

- *as a product of the history of the organization;*

- *which can be evaluated by qualitative and quantitative methodologies;*

- *with a direct and indirect influence on organizational performance and*

- *a structure composed by several layers, whose contents varies in extension and accessibility. "*

Using the "onion" metaphor – subjacent to the shared ideas which envisage culture as a "*layers phenomena (Hofstede, 1991; Ott, 1989; Rousseau, 1990; Kotter & Heskett, 1992; Schein, 1990; Lundberg, 1990) and where different meaning levels are interconnected, since the more peripheral and observable, till the more profound and imperceptible*" – the author proposes a *six-layer model* which "*has implied a multidimensional conception of the blended culture/climate concept, and a constructivist vision of reality*".

The most external (objective, and visible) layer (A1) represents the *organizational attributes which originate organizational climate*, including context variables, structure variables, and process variables.

Layers A1 and A2 together represent, for the author, the idea of "**organizational climate**", this is, "*the descriptive perception of the organizational environment*" – where A2 represent the individual attributes (individual psychological field) which influence organizational climate.

The remaining – more internal and less visible layers of the model – represent the idea of *organizational culture*, which can be evaluated only through evaluative perceptions, namely:

• Layer A3 – the **artifacts** (a "*result of human intervention, with a physical form of existence, and a purpose*") – which represent the behavioural dimension of organizational culture (peripheral, and more visible); either more *physical* (e.g., architecture, buildings, space arrangement, flags, logotypes, dressing codes, systems, technologies); or the *intangible* ones (e.g., language and technical terminology, slogans, narratives, mites, legends), and intentionally communicate information about organizational functioning;

• Layer 4 – **behavioural patterns and norms** – assuming the form of recommendations, prescriptions, and even forbiddances – these are acts that members of an organization perform on a daily basis; sometime automatic ones, which effectiveness is taken from granted; including *management practices* (such as, strategic planning, human resources practices, meetings, communication, customer relationship, competition, external relationships, and other practices); *ceremonies* (acts that the organization promotes to remember and enforce the importance of certain cultural values); and *rituals* (in order to put conventions on social interactions; prescribing standard behaviours, and expressing what is valued and what is not acceptable, or tolerated);

• Layer 5 – **values, beliefs, and ideologies** – the essence of culture for some authors (Hofstede, 1990; Trice & Beyer, 1993); as the "*reason for individual behaviours*" (Schein, 1985); strongly related with ethical codes, to "*what people believe to be true or not*", driving "*what people do*"; and often "*transforming opinion into truth and attitude into certitude*";

• Layer 6 – **basic assumptions** – an "*invisible*" layer, at sub-conscientious / unconscientiously level; which work as an "*implicit theory*" helping people on the way they think, feel, and behave.

Similarly, **Edgar Schein**, one of the most prominent scholars theorists on the field (whose deep work and publications constitute a main reference for academics,

consultants, and practitioners, being, along years and with success, incorporated into their methodologies and best practices), refers ***Organizational Culture (2009)*** as an oversimplified concept (by the use of expressions like "*the way we do things around here*" or "*the rites and rituals of our company*"). He considers that a better way to think about the Organizational Culture concept implies the understanding of their distinct *levels*, which "*go from the very visible to the very tacit and invisible*" (figure 10).
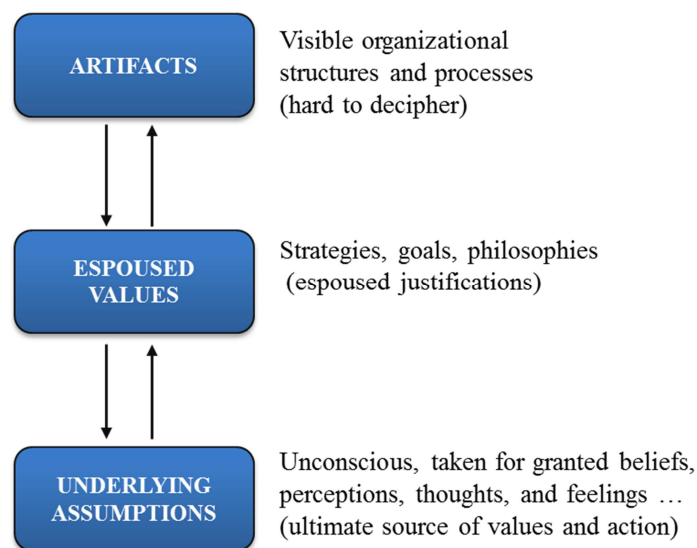
Figure 10 – Schein's three levels of Culture
Source: Schein, 2009.

As he refers, the easiest level to observe is that of ***artifacts***: "*what you see, hear, and feel as you hang around when you go into an organization*". They differ from organization to organization, and they can be felt immediately through the behaviour of the organization; sometimes they have "*immediate emotional impact*".

On a level below – necessary to explain "*why the members of the organization are behaving as they do, and why each organization is constructed as it is*" – Schein identifies the ***espoused values***; as "*certain values that are supposed to create an image of the organization*". The author refers also that its real dimension only can be obtained from the inside of the organization; either from narratives or from documents (often describing the values, principles, ethics, and visions of the company). Sometimes inconsistencies between artifacts and espoused values are latent, and can only be deciphered at a lower level: the ***shared tacit assumptions***. For this level, he asserts that

its understanding requires "*thinking historically about the organization*" (this is, identifying "*throughout the history of the company, what were the values, beliefs, and assumptions of the founders and key leaders that made it successful*"); considering also that "***the essence of culture*** *is then the jointly learned values and beliefs that work so well that they become taken for granted and non-negotiable*".

According to this vision, the author *defines Organizational Culture* as:

"*a pattern of shared tacit assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems*".

As a consequence of this definition, and understanding of what Organizational Culture is, he highlights some associated *conclusions* and important *implications*:

- "*culture is so stable and difficult to change because it represents the accumulated learning of a group-the ways of thinking, feeling, and perceiving the world that have made the group successful;*

- *the important parts of culture are essentially invisible;*

- *members of the organization cannot readily tell you what their culture is;*

- *cultures cannot be 'measured' and 'quantified' through surveys or other techniques that only ask about behaviour and espoused values;*

- *there is no right or wrong culture, no better or worse culture, except in relation to what the organization is trying to do and what the environment in which it is operating allows;*

- *General arguments of the sort you read in popular literature about becoming more team-based, or creating a learning organization, or empowering employees - are all invalid unless they show how the tacit assumptions on which these 'new values' are based are adaptive to the environment in which the organization has to function.*

- *In some markets and with some technologies, teamwork and employee empowerment are essential and the only way the organization can continue to*

succeed. In other market environments or with other technologies, tight discipline and highly structured relationships are the prerequisites to success".

This vision of Organizational Culture provides a good basis for understand it; as well as to realize the need to work on its deeper levels; namely on the underlying assumptions; sharing and assimilating new meaningful values in order to reach consolidated changes at artifacts' level (particularly in terms of visible behaviours and "*ways of doing*").

This implies the use of precise instruments for Organizational Culture analysis and diagnosis; involving insider change agents; based on facts and documents; knowing the organizational history; building on success to incorporate it on organizational memory; and enhancing the underlying organizational values.

A more practitioner-driven vision (***Conner, 1999***) – a change-oriented approach to Organizational Culture, strongly aligned with Lewin's three-step organizational change model (1951) and principles – defines Organizational Culture, on simple and pragmatic terms:

> *"The basic pattern of shared beliefs, behaviours, and assumptions acquired over time by members of an organization"*,

making explicit the underlying concepts:

- **Beliefs:** *"the consistent set of integrated values and expectations that provide a framework for shaping what people hold to be true or false, relevant or irrelevant, and good or bad about their environment"*;

- **Behaviours:** *"observable actions that constitute the way people operate on a day-to-day basis"*;

- **Assumptions:** *"the unconscious rationale for continuing to apply certain beliefs or specific behaviours"*.

and enhancing that

> *"When people develop belief and behaviour patterns that are successful, they tend to rely on these patterns whenever similar circumstances arise. If many such situations occur over time, the use of these patterns becomes less and less*

consciously acknowledged, and people begin to apply the patterns unknowingly. When this occurs, these patterns are referred to as unconscious assumptions".

These statements, corroborating Schein's (2009) assertions, also explicit the importance of repeated successful *believes* and *behaviours;* developed together along time; incorporated as unconscious assumptions; and having underlying shared *values* on organizational culture (trans) formation.

Conner's perspective on strategic, planned, and managed change processes, also considers organizational culture (and its realignment) as a key issue "*when a strategic decision requires a major shift in the way management and/or employees operate*".

He enhances that corporate culture can be an important source of resistance to major change, because "*if the beliefs, behaviours, and assumptions required to drive the change are inconsistent with the existing culture, resistance will increase, and the change may fail to be successfully implemented*".

So, *consistency* must be assessed by "*comparing specific aspects of your existing culture with the beliefs, behaviours, and assumptions required by the change*". On its diagnostic instrument (CA – Culture Assessment), this level of consistency is evaluated along several important dimensions, including *management processes, motivation, decision making, performance appraisal, communication, leadership, teamwork, business approach, structure, and change implementation.*

Also, because "*the strength of a culture reflects the degree of day-to-day influence it exerts on people and organizational operations*", where "*strong cultures have a powerful impact on people values, thoughts, feelings, and behaviour and are reflected in the organization's political, economic, and logistical decisions, being typically resistant to change, while weak cultures are more susceptible to modification*", culture's "*strength*" needs also to be measured.

In terms of organizational diagnostic – integrated into his own method; widely tested, improved, and used along several years of application and research on major change interventions within organizational settings – Conner uses a set of proper questionnaires

and evaluation tools to manage organizational change on several essential dimensions, such as the *change project*, *structure*, *roles*, *agents*, *resistance*, and *synergies*.

Vargas (2005) – considering *structure*, *processes,* and *culture* as critical dimensions, which are generated within the organization along its evolutionary life in search for survival and development within the market – gives also a particular emphasis to *organizational culture;* considering it as the "*invisible wire*" which connects all these three dimensions. For him, organizational culture, being "*immaterial and omnipresent*", is latent in any "*decision, action, or communication carried out by organizational members, but not being explicitly communicated by itself*".

Citing Schein (1992, pp. 8-10) on the multiplicity of organizational culture definitions, he also proposes (p. 121) his own ***definition:***

> "***Organizational Culture is*** *an organization of behavioural patterns within a unique's meaning system, which provides a sense to his members' actions. It structures individual and collective activity, establishing in each moment of time what is desirable for the group, regulating group belongings, and sanctioning course of actions. It establishes a unique link between values, beliefs, norms, and behaviours, valid for a group, within a specific time stance.*"

Within this definition he highlights (pp. 122-126) four ***main elements***, namely:

- ***An organization of behavioural patterns***: considering that "*the knowledge that individuals need to act within specific situations is acquired and archived as behavioural patterns*", that "*each new organizational member promptly learns the essential guidelines of acceptable behaviour*", and that "*the establishment of behavioural patterns is fast and quickly turns into tacit knowledge*" the author considers organizational culture as "*a complex organization of behavioural patterns*", where "*all specific organizational behaviours are linked together, in order to cover their members' main activities, and to facilitate socialization and work interactions*";

- ***A unique meanings' system:*** highlighting that "*behavioural patterns does not act as simple, independent, and rational operative instructions*", and that "*to be*

acquired and repeated they require an explanation of the why some behaviours, their relative importance, as well as, of criteria to decide among alternatives" he states that "*it is the meaning that the members of the community attribute to their own interaction patterns that maintains alive the behavioural guidelines"*, which have *"specific meaning to the group*", thus making them "*unique*";

- ***Desirability, Belonging, and Sanctions:*** considering that "*human individuals are gregarious beings organized within structured communities*" being part of our activity "*regulated by our place, function, and contribute to the community activities*", and on the "*impossibility to record all decisional alternatives for each professional situation we faced*", the author enhances the role of organizational culture on "*establishing general orientations which indicate the main parameters for organizational members' decisions and actions*", "*separating what is desirable from that which is not*". So, "*individuals seek to behave within the defined boundaries, being subject to sanctions, and accomplishing group expectations*". Within this framework "*those who distinguish by desirable decisions, mainly within risk situations, would be acclaimed as a hero, and its good example will be used for future cultural learning*". Thus, *"organizational members regulate their behaviour by a common token, normalizing it along time*". With this progressive "*cultural consolidation*" the organizational community will "*naturally reject individuals which does not behave according to their expected patterns*";

- ***Values, beliefs, norms, and behaviours:*** considering these elements as "*the four levels of analysis of organizational culture*", the author organizes them on a meaningful sequence where "*values influence beliefs, beliefs influence norms, and norms influence behaviours*". For him:

    - ***Values*** are "*absolute preference criteria which influence all other levels*";

    - ***Beliefs*** are "*object-attribute links shared by organizational members*", including "*pre-assumed explanations for events*", and "*ideas, feelings, and images that the group shares about itself and the market*";

- *Norms* are "*tacit or explicit behavioural agreements («our way of doing things»), which "define acceptable behavioural patterns for general situations, being operationalised by socially learned guidelines*";

- *Behaviours:* include relevant aspects which, being visible, "*promote the consolidation of organizational culture*" and "*can be used as a reference for social learning*", namely "*specific behavioural patterns*" (ways of dressing, communicating, meeting, and solving problems), "*myths*" (gold-plating and distortion stories of real events about organizational life, exaggerating situations and behaviours), "*rituals*", "*artifacts*", "*heroes*" (examples of behaviours to be followed), and "*exemplary sanctions*" (examples of behaviours to avoid).

For the author, culture is "*a main differentiation factor for organizations*".

While structure and processes can be copied from successful organizations, organizational culture cannot be replicated. It can be identified on its essential characteristics (values, beliefs, norms, and behaviours), but it is not possible to transpose them to another organization.

Being strongly rooted on *moral* (principles, norms, and values), and evidenced by organizational *ethical praxis* (practices, habits), organizational culture reflects these unique elements, acting as "*our collective mental programming*".

So, "*the development of a winning culture is a lonely path for each organization*", where "*there is no other organization which could be used as an unambiguous role model*".

Concerning organizational culture change, he states that "*as any group of individuals has already an historical background, it is not possible to do a simple obliteration of their collective mental program, just replacing it*".

This implies that organizational culture change programs must involve the whole organization (with a special responsibility for leaders and managers); where the "*balance between change and continuity has a special relevance for cultural change processes*". They must include "*the definition of new organizational shared values, establishing an identity which can facilitate the understanding of the necessary ethical*

praxis change", being "*the shared understanding of, both, the current and the desired situations a critical factor of change success*".

These visions together – Schein (2009), Neves (2000), Conner (1999), and Vargas (2005) – provide a wide understanding of Organizational Culture and its relevance, altogether with the essential role of Values, as a basis to underpin and leverage transformational changes inside the Organization.

Considering its relevance, they integrate our main referential for Organizational Culture.

Particularly, Vargas' (2005) approach to organizational change; strongly rooted on values and ethics; had been a main basis for the intervention (where Vargas has played a major determinant role as organizational behaviour expert, inspiring mentor, and head consultant).

3.2.1.3   <u>A model for organizational culture analysis: the Competing Values Framework</u>

So, being Organizational Culture and Values one of the main dimensions to be worked on Transformational Change – giving it the necessary sustainability – a proper model must be used for its analysis. Desirably, the model should encompass not only a wide vision of its dimensions and tipification, but also a systematic process for approaching change.

One of the reference models widely used for organizational interventions in the domain of Organizational Culture, is the model which has been developed by ***Quinn and associates***, and named as the ***Competing Values Framework***. It is based on a two-dimensional view which segments the analysis of organizational cultures, and uses several characteristic factors.

Historically, it has started from an initial model (Campbell et al., 1974), which included thirty nine key indicators to analyse organizational effectiveness; and from a subsequent study based on those factors (Quinn & Rohrbaugh, 1983) which has identified some patterns; from which emerged two essential taxonomical dimensions which determine four clusters; thus defining typical cultural patterns within the model.

One of those dimensions evidences the differentiation – through a continuum along one axis – between "*flexibility, discretion, and dynamism*", and, on the opposite extreme, "*stability, order, and control*".

The other dimension emphasize the distinct gradients of a scale, between "*internal orientation, integration, and unity*", and, on the other extreme, "*external orientation, differentiation and rivalry*".

The combination of these two dimensional segmentation, represented along two axis of analysis, allows the identification of four "cultural" quadrants; each one corresponding to a set of organizational effectiveness patterns.

According to Cameron & Quinn (1998) these indicators – representing "*what people value about organizational performance*" and defining "*what is seen as good and right and appropriate*" – determine four clusters, combining several criteria which define the essential parameters used for organizational culture evaluation.

Figure 11 illustrates those two dimensions and the associated four types of Organizational Culture denoted by the Competing Values Framework.
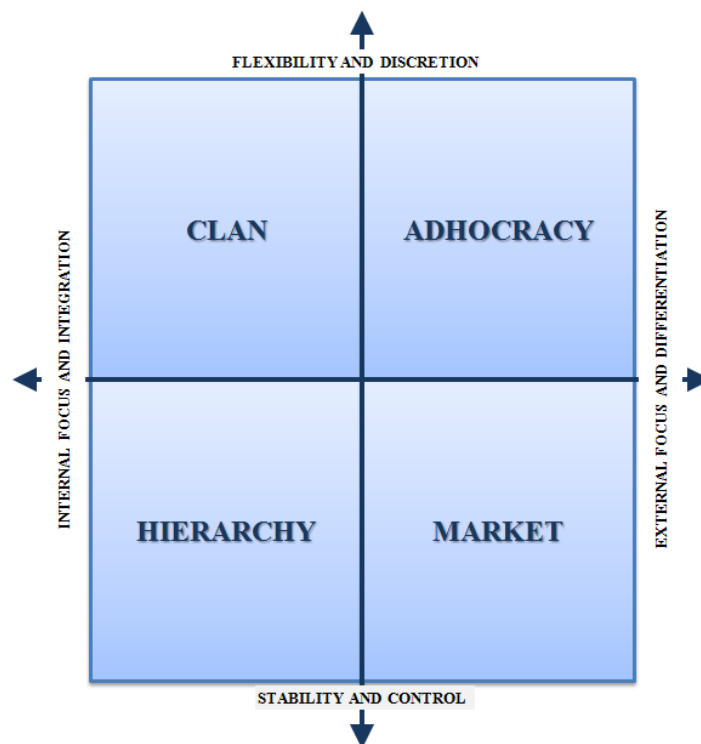
Figure 11 – Cameron & Quinn's *Competing Values Framework:* axis and culture types
Source: Cameron & Quinn (1998)

So, the model gives evidence to *four base culture types* – whose *characteristics* can be summarized as follows:

- *Hierarchy Culture:* focused on internal maintenance, with stability and control needs.

  "*A very formalized and structured place to work.*

  Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers, who are efficiency minded. Maintaining a smooth running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and predictability".

- *Market Culture:* focused on external positioning, with stability and control needs.

  "*A results-oriented organization.*

  The major concern is getting the job done. People are competitive and goal oriented. The leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard driving competitiveness".

- *Adhocracy Culture:* focused on external positioning, with a high level of flexibility and individualism.

  "*A dynamic, entrepreneurial, and creative place to work*.

  People stick their necks out and take risks. The leaders are considered to be innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organizational long-term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being

a product or service leader is important. The organization encourages individual initiative and freedom".

- ***Clan Culture:*** focused on internal maintenance, with flexibility, people concern and customer sensitive.

"*A **very friendly place to work where people share a lot of themselves.***

It is like an extended family. The leaders, or head of the organization, are considered to be mentors and, maybe even, parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefit of human resource development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus".

Figure 12 summarizes this characterization, in terms of *main orientation, type of leaders, value drivers, and theory of effectiveness.*
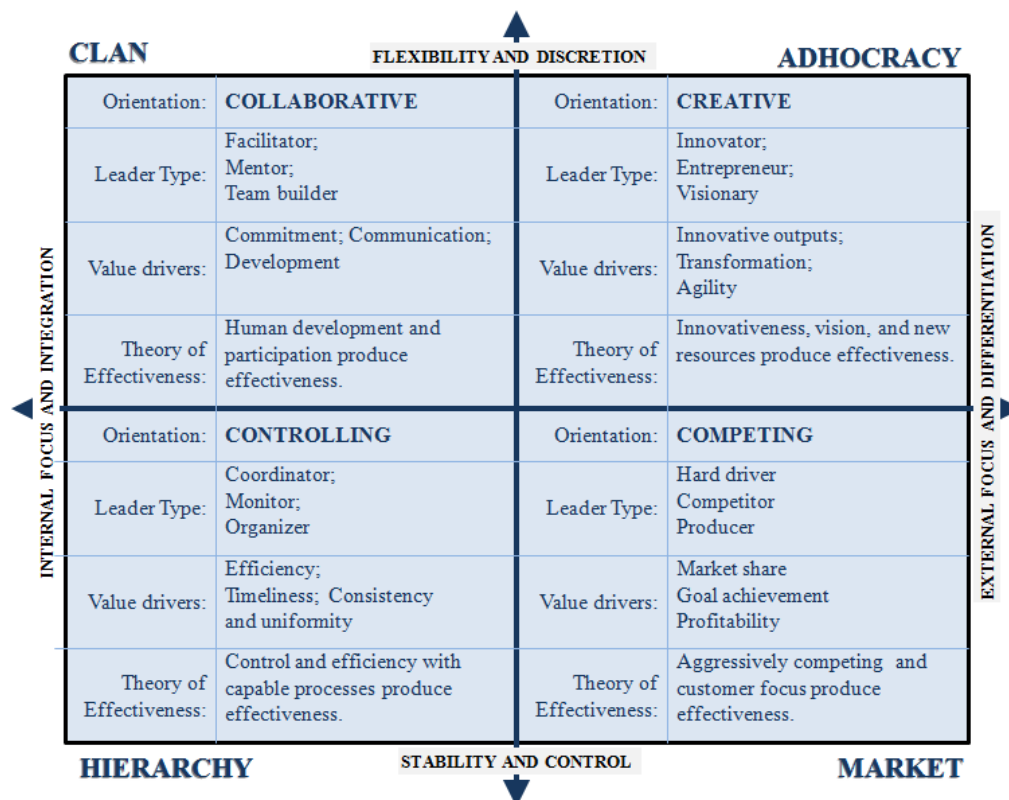
Figure 12 – Cameron & Quinn's *Competing Values Framework:* Culture types' characteristics
Source: Cameron & Quinn (1998)

In terms of *quality* – understood under the light of *Total Quality Management* – each culture type is characterized by a predominant use of quality *strategies*, namely:

- "***Hierarchy Culture:*** *error detection; measurement; process control; systematic problem solving; quality tools (fishbone diagrams, Pareto charting, affinity graphing, variance plotting);*
- ***Market Culture:*** *measuring customer preferences, improving productivity, creating external partnerships, enhancing competitiveness, involving customers and suppliers;*
- ***Adhocracy Culture:*** *surprise and delight, creating new standards, anticipating needs, continuous improvement, finding creative solutions;*
- ***Clan Culture:*** *empowerment, team building, employee involvement, human resource development, open communication*".

3.2.1.4   The change management process associated with the reference model

This theoretical framework (Cameron & Quinn, 1998) also provides a ***proper tool*** (OCAI – Organizational Culture Assessment Instrument) to assess organizational culture characteristics through a specific ***structured questionnaire covering six main areas***:

- dominant organizational characteristics;
- organizational leadership;
- management of employees;
- organizational *glue*;
- strategic emphases and
- criteria of success.

It can be applied either for current culture diagnostic or for the identification of a desired culture.

Concerning its applications to interventions strongly related to organizational culture change, it provides a ***structured process,*** including a set of specific steps, namely:

- ***reach consensus on the Current Culture:*** through the identification of a set of key people (which have a global perspective of the organizational culture and be determinant on change success); the application of the OCAI questionnaire; and the reaching of a consensus concerning the associated questions;

- *reach consensus on the Desired future Culture:* in a similar way, but focusing on the desired culture;

- *determine Changes:* based on the analysis, for each quadrant, of the gap between the current and the desired culture; and on the identification of the attributes and key elements to increment / decrement for each case;

- *identify illustrative stories:* reporting events or incidents which, on a narrative basis, evidence situational cases (to communicate the new culture and facilitate group learning), related to values, attitudes, and behaviours to be enforced or inhibited in the new context;

- *develop a strategic action plan to promote organizational change:* focusing on incremental, communicated, supported, engaging, measurable, innovative changes, either symbolic or substantive, and applied to the organizational work processes;

- *develop an implementation plan:* including the schedule and specific control points; as well as the associated teams and members which would be involved for each essential theme (including the behavioural and competence aspects associated with the new cultural framework of reference).

3.2.1.5 The essential role of leadership on organizational culture change

Without individual members behavioural change any organizational culture change process will be, with a great probability, frustrated; due to the fact that culture level changes depend on the implementation of new individual attitudes and behaviours which, congruently, should enforce new organizational values.

It is always possible to identify a desired culture, and specify a set of strategies and activities specifically designed to promote the associated change. However, without individual willingness to engage themselves on change; and without visible management attitudes and competence change; it will be very difficult to change the nuclear cultural elements which underlie its visible artifacts.

To face this essential "management change" dimension, the authors (Cameron & Quinn, 1998) have extended the concept of *Competing Values Framework* to include a process for identification and assessment of *behavioural and management competence aspects which are essential to enforce the culture change process*.

So, they have incorporated a new tool – the Management Skills Assessment Instrument (MSAI) – using questionnaires to establish individual profiles concerning critical management skills.

These *critical management skills*, grouping twelve essential competence categories, are aligned with each of the organizational culture typologies, as follows:

- "*Hierarchy skills: managing acculturation, managing the control system, managing coordination;*
- *Market skills: managing competitiveness, energizing employees, managing customer service;*
- *Adhocracy skills: managing innovation, managing the future, managing continuous improvement;*
- *Clan skills: managing teams, managing interpersonal relationships, managing the development of others*".

Concerning the MSAI tool, it is also important to highlight that – differently from other instruments – these behavioural factors are evaluated, not on a *style and attitude* basis, but specifically on the basis of *management actions*.

According to the authors, this is mainly due to the fact that, on one hand, "*these styles are difficult to change*", and, on the other, "*the important modifications on a cultural change process are, essentially, at the level of evident behaviours*".

Considering the essential questions to be previously clarified for this organizational intervention, including:

- What are the essential aspects of the current dominant culture?
- What is the current differentiation among organizational subunits?
- What is the desired culture?
- What is the level of cohesion associated to the desired culture within leadership structures?
- What are the essential organizational values to promote?

it has been considered that, among other complementary instruments, *this framework was quite appropriate to be applied, as a main basis, for its diagnostic stage.*

3.2.2 Leadership and Team Effectiveness

As evidenced by many research studies – either on leadership theories, as well as, on specific team effectiveness models – leadership must be considered as a critical process which influences change and work team performance; being a strong determinant for the involvement, behaviour, satisfaction, and performance of individual members.

So, a correct understanding and consideration of these aspects is essential for the success of any change intervention which intends to promote effective organization development across the people, work team, and organizational boundaries.

3.2.2.1 Leadership theories and its vision

Leadership studies – mainly centred on the problem of *leader effectiveness and role* on this process – have benefited from major evolutions along time in terms of focus of analysis; since the initial 1st generation models (based on the characteristics, personality, and profile of the leader), passing through 2nd generation models (based on the behaviour of the leaders), and culminating on the most recent 4th generation models (cognitive-motivational theories).

3rd and 4th generation models have introduced a main evolution concerning the output of the leadership process; complementing leadership effectiveness with employee's satisfaction (as a dependent variable); and, also, considering the moderator effect of situational variables (including task complexity and followers' characteristics) between these outputs and the characteristics of the leader (3rd generation) or on their behaviour (4th generation).

Historically, several approaches to leadership (Northouse, 2007) have been progressively studied and developed, including:

- *Trait approach:* where the traits of the leader have been studied in order to identify "*why certain people were born with special traits that made them great leaders*". These include Bass (1990) and Jago (1982) initial approaches; Stogdill (1984) revision; Kirkpatrick & Locke (1991); and, also, its renewed interest on the theme on a perspective of visionary and charismatic leadership (Bass, 19980; Bennis & Nanus (1985); Zaleznik, 1977);

- *Skills' approach:* still maintaining a view centred on the leader, but refocusing the analysis on multiple skills and acquired competencies; starting with Katz (1955); progressing with Hemphill & Coons (1957), Yukl (1989, 1994): and, later on, developing and enlarging this vision (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000; Yammarino, 2000) by including (beside the leaders attributes and individual competencies) some additional variables, related with leader's career experiences and environmental influences, as determinants of leadership outcomes (performance and effective problem-solving);

- *Style approach:* considered as 2nd generation; enhancing the behaviour of the leader, and "*focused on what leaders do rather than on what leaders are*"; mainly originated on the Ohio State University studies (Hemphil & Coons, 1957 – *Leader Behaviour Description Questionnaire*) and on the University of Michigan studies (Cartwright & Zander, 1960; Katz & Kahn, 1951; Likert, 1961, 1967); giving special attention to the impact of the behaviour of the leader over small group performance. One of its very popular model (and widely applied on the 60th decade of last century) corresponds to the Managerial Grid (Blake & McCanse, 1991; Blake & Mouton, 1964, 1978, 1985);

- *Situational approach:* initially developed by Hersey & Blanchard (1969) and being subject to successive revisions (1988, 1993); often used for leadership training and development purposes; introducing situational variables and "*suggesting to leaders how they should behaved based on the demands of a particular situation*" through the prescription of the most appropriate leadership style;

- *Contingency approach:* as a 3rd generation theory; benefiting from Fiedler's studies (Fiedler, 1964; Fiedler & Garcia, 1987; Fiedler & Chemers, 1974); and being considered as a leader-match type theory (suggesting that the effectiveness of the leader depends on the matching between the leader style and the situation, and considering the relationship between leader and team members, task structure, and leader's position power). According to this model, a task-oriented style would be more effective on extreme (favourable or unfavourable) situations, being a relationship-oriented style more effective on moderate favourable situations;

- *Path-goal theory:* considered as a 4th generation; cognitive-motivational theory: mainly emerging on House & Mitchel (1974) works; asserting that leader

effectiveness is conditioned by his capacity to intervene in employee motivational process (in order to improve their task engagement and satisfaction levels, helping them to achieve performance objectives); facilitating the way to goal attainment (clarification, reduction of obstacles, improvement of opportunities); increasing the followers perception of the path (effort, results, benefits, rewards); and inducting motivation and satisfaction. According to this theory, the leader should consider, as contingency variables, not only the characteristics of employees, but also some important contextual factors (task characteristics, formal authority system, and the work team).

• *Functional leadership theories:* initiated by McGrath (1962) studies; further developed by Hackman & Walton (1986); Mumford, Zaccaro, Harding, Jacobs, & Fleishman (2000); and Zaccaro, Rittman, & Marks (2001);

• *Leader-member exchange (LMX) theories:* enhancing not only the importance of the leader, the follower, and the context; but also the focal relevance for the leadership process of the quality the interactions between the leader and each member of the team;

• *Transformational Leadership model:* started with Bass (1985, 1990) and Bass & Avolio (1994) works; evidencing that "*transformational leaders are recognized as change agents who are good role models, who can create and articulate a clear vision for an organization, who empower followers to meet higher standards, who act in ways that make others want to trust them, and who give meaning to organizational life*". Complementary relevant work has been developed by Benis & Nanus (1985) & Kouzes & Posner (1987, 2002) on the identification of essential strategies and practices used by transformational leaders to achieve great team results.

As evidenced by these distinct, evolutionary, and complementary approaches, views, and models, the concept of leadership has, historically, largely evolved on its definitions. Stogdill (1974, p. 7) pointed out, in a review of leadership research, that "*there are almost as many different definitions of leadership as there are people who have tried to define it*".

Northouse (2007), referring a multitude of "*ways in which leadership has been conceptualized*", identifies relevant *components which are central to leadership*: (1) it is

a process, (2) involves influence, (3) occurs in a group context, and (4) involve goal attainment.

Based on this evidence, he defines Leadership as:

> "*A **process** whereby an individual **influences** a **group** of individuals to achieve a **common goal**"*.

This definition – extremely simple and pragmatic and containing all the essential dimensions and relationships within the concept – *has been considered as perfectly acceptable to be adopted within the context, and for the purpose, of this research.*

3.2.2.2   Team performance models and its topological evolution

Considering that "*leadership occurs in groups*" and that "*leadership includes attention to goals*"; then the work team (not only the leader, or the influence process), and the (other) influence factors over team performance; must be considered in order to understand organization development and effectiveness. This points out to the need for a basic understanding of different *Work Team performance models*.

Within this area, most relevant models have been, historically, subject to progressive evolutions: since its initial visions, more time limited (static) and targeting the identification of work team effectiveness predictors (communication, leadership, and competencies, among others); till more recent models, identifying why some teams are more effective than others (Ilgen, Hollenbeck, Johnson, & Jundt, 2005) and providing a vision of teams along the time dimension.

From a topological perspective – as evidenced by Guzzo & Shea (1992) – some dominant initial models were focused on a linear input-process-output (I-P-O) perspective, being also very generalist (e.g., Gladstein, 1984; Hackman, 1987). These formal and material restrictions have been also denoted by Ilgen et al. (2005), which identified some important limitations on these models: *"(1) mediator variables should not be processes, but affective and cognitive states, and (2) the I-P-O models does not evidence any cyclical relationship*". So, they've proposed an alternative typology for team effectiveness models; considering the effects of its interactions, and using an input-mediator-output-input vision.

Marks et al. (2001) propose, on their model, the existence of a set of distinct "*performance episodes*"; with different cycles, which a team can perform as multitasks; having the result of an episode its impacts on the following episodes; and considering the existence of transition episodes between them. For these authors, the leader has a main role on transition episodes: focusing on goals, strategy and planning, and driving the team over the associated action.

With Kolowski & Ilgen (2006) the new typology – (1) introducing non-linearity, (2) including facts that shape, potentiate or align the processes, together with the (3) inclusion on the feedback cycle of the influence of the organizational system, of contextual contingencies, and environmental complexity – becomes very evident.

A main conclusion which can be taken from the analysis of evolution observed on these models (although most of them have resulted from positivist *limited* studies) is that, either Leadership, or Team Performance, cannot be studied with reductionist lens (taking as granted that only some few variables determine the outcomes, and being all the rest constant, without any influence).

It is important to note that static models – while not considering time-transversal views or the change intentionality which is subjacent to organizational interventions – also correspond to a very limitative observation of the real world of organizations.

However – not reducing the view of the researcher to a single perspective, but considering the input knowledge emerging from the most relevant theories and models – they still reveal itself as an important, rigorous, contribute, when facing complex holistic change interventions within real organizational settings.

3.2.2.3   Leadership and team performance models

Considering the most relevant knowledge – emerging from the development of specific studies; reviewed and systematized on diverse meta-analysis; and being object of further development – the *role of the **leader** and the leadership **process*** (within studies centred on work team performance), and the study of *leader's **functions** and its **relationship** with the team and members* (in studies more centred on leadership effectiveness), have been enhanced as critical *success factors of work team effectiveness*.

Many publications give a clear evidence of the fact, including – as more evident, relevant, and explicit – the following ones:

- Hackman (1987): within his normative model of group effectiveness (pp. 331); enhancing, among other factors, group synergies as determinant of group effectiveness; describing (pp. 338) the main stages of managerial work in creating an effective group; and referring leadership as something emergent and synergistically solved within the group;

- Kozlowski et al (2009): emphasizing the process of "*how leaders should build team capabilities, which are the underlying aspects of team effectiveness and adaptability, by leveraging contingencies that arise from the dynamics of team tasks and the progression of team skill development*";

- Marks, Mathieu, & Zaccaro (2001): highlighting the role of the leader concerning transition episodes centred on objectives, strategy and planning (focusing the team on action) as determinant over work team effectiveness;

- Zaccaro, Ritmman, & Marks (2001): enhancing, in their model, the leader performance functions (information search and structuring, its usage on problem solving, managing personnel resources, and managing material resources) which contribute to team effectiveness, through team processes (cognitive, motivational, affective, and coordination);

- Burke et al. (2006): a meta-analysis concerning the type of leadership behaviours that are functional in teams, which details on an explicit and structured form ("the team leadership framework", pp.209) the critical importance of leadership and of the leader's behaviour over team performance;

- Zaccaro, Heinen, & Shuffler (2009): on their "*integrative model of team leadership and team effectiveness*" (p. 94); explicitly referring the relationship between leadership (team leadership functions and leadership expertise) and team interaction dynamics (team development, team goal processes, and team emergent states) over team outcomes (performance, adaptability, viability); and detailing (p. 96) the associated team leadership functions and team interaction dynamics;

- Salas et al. (2007, 2009, pp.10): evidencing, in a structured model of "*conditions and processes of team performance*", the relevant role of team leadership and coaching upon individual and team performance outcomes.

All these contribute are complementary, valid for application, and must be taken into account when approaching Team Development and Effectiveness.

3.2.2.4 Summary and conclusions

Within complex organizations, leadership; as well as, team adaptability to organizational change; team members' mutual performance monitoring, support, and adjustment behaviours; and orientation to teamwork; are key components of team effectiveness. They distinguish high-performance teams from less performing ones.

Shared mental models, communication, and mutual trust are essential mechanisms on team functioning.

Salas et al (2007, 2009) evidenced on their model of work team performance the critical role of leadership over individual and team performance.

Kozlowsky et al (1996) clearly enhance the positive effects of leadership over team effectiveness.

Zaccaro, Ritman, & Marks (2001) on their model make explicit the main functions of the leader which contribute to team effectiveness – including their role on searching and structuring information, using it for problem-solving, human resources management, and material resources management – as generic responses.

Also, many other theories and approaches, which have been previously referred – either centred on leadership effectiveness (the problem of *leader's effectiveness and role* on the process), or centred on Work Team Performance (the problem of *team effectiveness*, and the *role* of the leader on the process) – have produced, along time, several distinct, paradigmatic views on the subject.

Most of them have emerged from a productive combination between research and practice; being progressively formulated, tested, developed, applied, and, again, being subject of enhancement.

Most of them have been applied, with great success, on real organizational settings; as best practices, and, not less important, on leadership development initiatives and training programs (developing generations of leaders and successful managers).

Thus, historically, they had (have) a relevant role on the development of new visions about the organization, groups, teams, individuals; and that *organizational glue around leaders, teams, and members which support and drive business results*; producing precious knowledge which must be faced more as a cumulative asset, rather than a replacement of older or outdated visions.

So, within a perspective of organization development and change – targeting the relevant aspects from the relevant theories; to be applied within a relevant context; for a relevant population – all this knowledge must be considered as relevant.

None perspective, definition, or model can be discarded in benefit of any other more in vogue or recently developed.

3.2.2.5   A pragmatic view of Leader's Responsibilities

As already referred (when developing the literature review about *Leadership and Work Team Effectiveness*) several publications highlight the *influence of the leader* on *team performance* and its determinant role concerning *transformational change.* Important theories give relevance to multiple approaches to Leadership, including the Treat's approach, Charismatic and Visionary leadership, Skills, Styles, Functional leadership, Leader-Member Exchange, and Transformational leadership (Northouse, 2007).

From an Organization Development point of view the ***Causal Model of Organizational Performance and Change*** (Burke & Litwin, 1992) clearly enhances ***Leadership*** (*executives providing overall organizational direction and serving as behavioural role models for all employees, including include followers perceptions of executive practices and values*) and ***Management practices*** (*what managers do in the normal course of events to use the human and material resources at their disposal to carry out the organizational strategy*) as crucial aspects on the basis of individual and organizational performance.

Kotter (1996), discussing the dualism of concepts of "*Management versus Leadership*", strongly roots his eight stage process on *Leadership* (a "*set of processes that creates organizations in the first place or adapts them to significantly changing circumstances*"), and on the *focal role of the Leader* (which "*defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles*"). He argues that simple *Management* activities (including planning, budgeting, organizing, staffing, controlling, and problem solving), being considered as passive and, often, maintaining the *status quo*, are not enough to promote active transformations. Leadership is required.

Senge (2006:p. 766) developing the subject of *Leaders as builders of Learning Organizations* and their central role on "*generative learning*" argues that:

> *"In a learning organization, leaders' roles differ dramatically from that of the charismatic decision maker*", where "*leaders are designers, teachers, and stewards*" So, "*these roles require new skills: the ability to build shared vision, to bring to the surface and challenge prevailing mental models, and to foster more systemic patterns of thinking*", being the leaders "*responsible for building organizations where people are continually expanding their capabilities to shape their future – that is, leaders are responsible for learning.*

On a Total Quality Management Perspective, *Lau & Anderson (1998)* refer, for the Management dimension of TQM, that it involves (1) "*Requiring top-management commitment*"; the (2) "*Establishment of organizational sense and values*";(3) "*Having Leadership as a critical factor*"; (4) "*Doing the appropriate change on organizational culture, values, communication, and information systems*".

Also, within an *Organizational Excellence perspective*, either the Malcolm Baldrige National Quality Award (NIST, 2013), or the European Foundation Quality Model (EFQM-A, 2013) denote, within their principles and evaluation criteria, the high relevant role of Leadership.

So, despite the specific aspects of evaluation, associated concepts and constructs, emerging from the successive theoretical approaches to Leadership and Team

Development, its application to real organizational contexts (including leadership development initiatives and programs) requires a clear understanding of the *responsibilities of the Leaders* and of the associated main *Processes*.

Vargas (2004), on a *pragmatic approach to Leadership*, highlights the ***main responsibilities of the Leader***, working with his team members, as integrating four main ***processes***: *accountability*, *monitoring*, *competence development*, and *attitudinal alignment*. These processes are dynamically linked (Figure 13) along a permanent relationship in order to contribute to employee development; and have main associated questions.
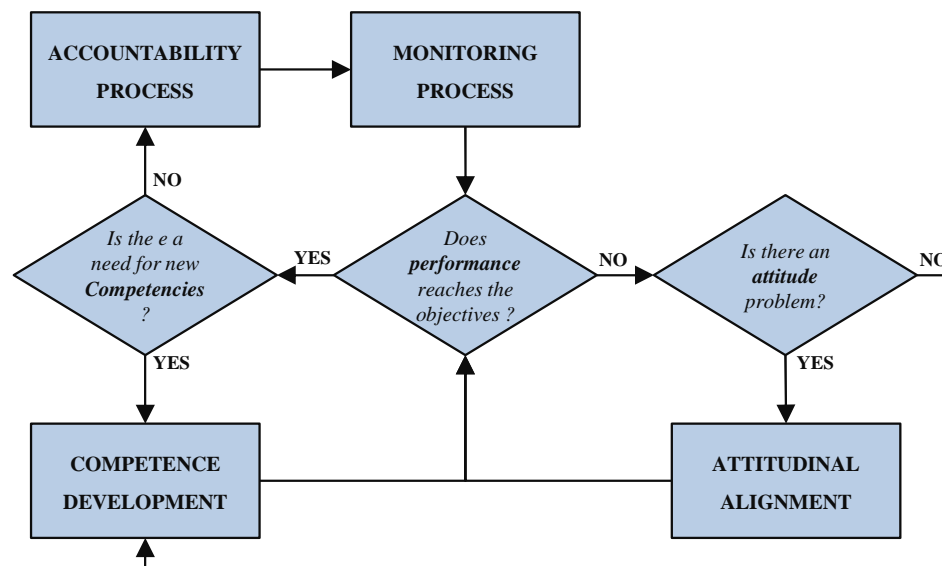
Figure 13 – A pragmatic view of Leadership responsibilities: main questions and processes
Source: Vargas (2004).

As depicted these *main questions,* to be systemically issued by the leader, are associated with employees' *competencies*, *attitudinal problems*, and *performance* achievement; thus *triggering the associated processes* according to his diagnostic, and along a continuous cycle of *followers' development*.

According to the author (p. 237), despite being described separately, these processes are strongly interlinked:

- *"Sometimes the **monitoring** process is continuous with the **attitudinal alignment**, where, in some situations, the observation of lower levels of performance due to*

employee's attitudes (detected through behaviours) can conduct, directly, to an attitudinal alignment session triggered by the leader;

- *Sometimes the **competencies development** process is continuous with the **accountability process**, namely when the leader detects an improvement on the degree of autonomy to perform a task, thus planning for its next attribution to the employee;*

- *Most times the process of **attitudinal alignment** includes **accountability**."*

The processes of *monitoring* and *accountability* should be applied regularly, on a daily basis, in order to identify and understand any need for intervention, and to supply / support the employee with the corresponding guiding orientations; while the processes of *competency development* and *attitudinal alignment* correspond to specific intervention methodologies to be applied in specific circumstances and according to special needs.

Considering the ***accountability process***, and arguing that *individuals' responsibility is on the base of any significant achievement* (even when it results from the contribution of any members of a group or team), Vargas (2004:pp. 79-109) deeply describes the essential aspects related with its main course of action: responsibility *identification*, *assumption*, *attribution,* and action *authorization*. Also the *responsibility transfer* process ("*the process where the responsibility assumed by one person is assumed by another one*") is analysed on its main questions (why, what, to whom, and how), in strict relationship with the process of delegation. This conducts to the discussion of the accountability process, in terms of its three *main stages*: (1) *clarifying responsibilities* (what, who, why, how, when, what quality level, and what level of written formalization), *questioning the understanding*, and *confirming interpretation*.

Referring to the ***monitoring process***, Vargas (2004: pp. 111-134) explores its relevance within an employee development context, in terms of structure of reference, regularity, exclusive attention, and adequate positioning, highlighting its three main stages: *monitoring performance indicators*, *preparing the monitoring meeting*, and *conducting the monitoring meeting*. Special attention must be given to the *main steps of this meeting*, namely: analysing action performance; exploring positive aspects, highlighting

strong points; exploring weaknesses; constructing solutions; justify solutions, plan actions; and analyse the meeting.

Concerning the *process of competence development*, the author analyses and details (pp. 159-173) its pre-conditions (active diagnosis during the monitoring stage, specific analysis of identified problems, analysis of the strategic relevance of the competencies to be developed, and a cost/benefit analysis of employee development), and the process structure itself, with eight major steps: context sharing; specify and operationalise the competencies to acquire; prepare training; conduct training; evidence competencies; involve on action; attribute control; and attribute autonomy.

Finally, considering the *attitudinal alignment process*, the author details (pp. 217-231) the essential aspects associated with the preparation and conduction of an attitude alignment meeting in eight steps: defining the problem; clarifying causality; analysing individual actions; clarifying the positioning; asking for initiative; testing motivation; planning actions; and establishing rules.

This pragmatic approach to the role of the Leader, and associated Leadership questions and processes (Vargas, 2004) to be considered to promote employee development and organizational performance is (together with the specific values-based approach (Vargas, 2005), a main imprints of the transformational change process which has been conducted on practice. Effectively, it has been used as a main orientation along the process; being the associated publication distributed, as a main reference, to all managers which have been trained along the process.

3.2.3 Values and Employee Engagement

The aspects related to employee engagement – covered by *multiple, interrelated, and sometime overlapping, constructs*, which include *Values*, *Norms*, *Beliefs*, *Attitudes,* and *Behaviours; Organizational Identity* and *Identification; Commitment*, *Engagement*, *Empowerment;* and *Extra-Role Behaviours* – are the "*first face of the coin*" for organizational efficiency and effectiveness on a perspective of "intangible resources" serving an organizational strategy to achieve superior results.

Heskett et al., (2000), which have developed the "***service-profit chain***" vision (Figure 14), give strong evidence that *Employees play a major role on this interrelated chain of events*, arguing that it "*establishes relationships between profitability, customer loyalty, and employee satisfaction, loyalty, and productivity*".
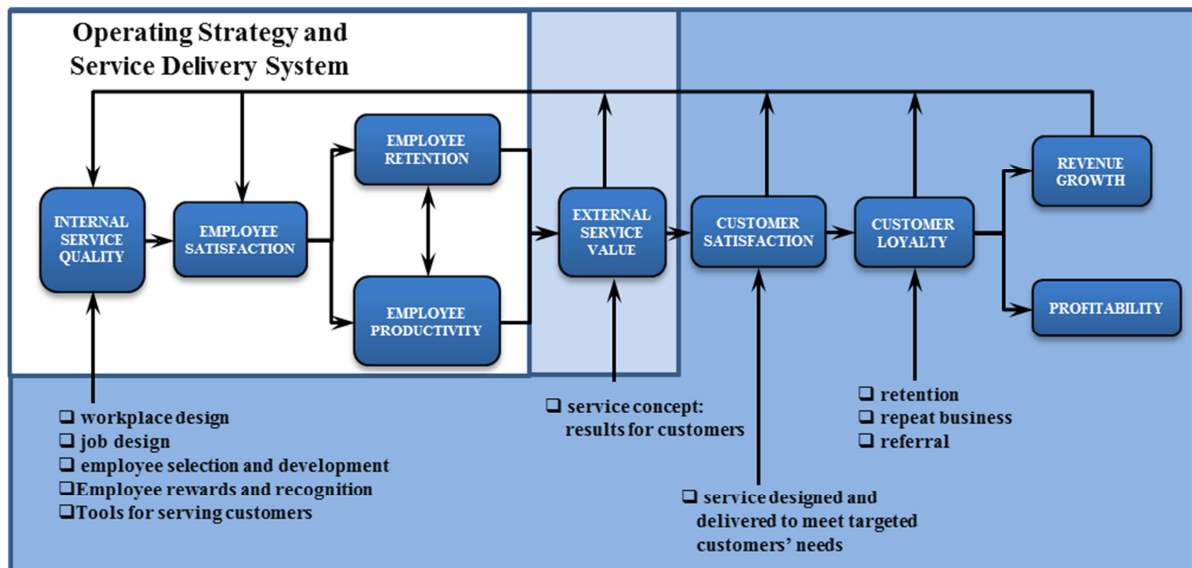
Figure 14 – Heskett's Service-Profit Chain
Source: Heskett et al., (2000).

According to the authors,

"*The links in the chain (which should be regarded as propositions) are as follows:*

• *Profit and growth are stimulated primarily by customer loyalty;*

• *Loyalty is a direct result of customer satisfaction;*

• *Satisfaction is largely influenced by the value of services provided to customers;*

• *Value is created by satisfied, loyal, and productive employees;*

• *Employee satisfaction, in turn, results primarily from high-quality support services and policies that enable employees to deliver results to customers.*"

This chain, thus, gives us a clear perspective of *engagement as a predictor* of service and organizational performance; in line with the approach which has leaded the current action research project.

Focusing specifically on **engagement**, **Balain & Sparrow (2009)** synthesize (p.20) a set of four main dimensions, as the "*necessary bounds of engagement*" at individual level, namely:

- "**Motivation and incentive to bond** – *employees who have a motivation and incentive to become a social member,*
- **Organizational identification** – *who in addiction to this identify with the organization,*
- **Internalization** – *who have also internalised these messages into their own behaviour, and finally*
- **Psychological ownership** – *who then have some sense of shared ownership with the organization".*

Pierce, Kostova, & Dirks (2001), elaborating on this last *bound* within their "*theory of psychological ownership in organizations*"; and proposing this new construct, which they base on "*the feeling of possession*", and differentiate from organizational commitment, organizational identification, and internalization; argue that:

"*Organizational members may experience feelings of ownership for the organization or various organizational factors, because this state is rooted in motives that are operative and can be satisfied in the organizational context*".

They refer, as potential outcomes of *psychological ownership*, that:

- "*employee psychological ownership toward organizations or organizational factors is positively related to expected rights and presumed responsibilities and leads to a number of particular behaviours associated with such rights and responsibilities (e.g., information seeking, stewardship, OCB)*" (Proposition 4);

- "*when change is self-initiated, evolutionary, and additive, employee psychological ownership toward organizations or organizational factors results in promotion of change; when change is imposed, revolutionary, and subtractive, employee psychological ownership results in resistance to change*"(Proposition 5).

These assertions give evidence of the great potential for positive outcomes – both on (1) extra-role behaviour, and over (2) change promotion – which can emerge from individual psychological attachment to the organization.

Despite the term *resources* – often used on Organizational Strategy and on Human Resources literature – should not be the more adequate to designate People which give their Contribute to Organizations (in terms of "*hearts and minds*"); their importance is, as evidenced, essential for effective Organization Development.

So it is quite relevant their main role on quality, productivity, and organizational effectiveness; being a major interested part on strategic development and implementation.

Not being the target of this doctoral dissertation to elaborate on deep theoretical aspects associated with all the concepts, constructs, and mechanisms which underlie these *person to organization attachment states and behavioural outcomes,* it is, however, necessary to take them into account; mainly, what are the essential concepts, what is known about them, what are their origins, and practical implications.

3.2.3.1   Values, attitudes and behaviours

Alcobia (2001) states that "*attitudes are one of the most significant forms to make the differentiation between individuals*", enhancing some "*concepts which are directly associated with attitudes: values, beliefs, personality traits, and ideology*".

To the author, "*values 'reveal what people want to be true' and they refer to 'objects desirable for individuals and society'*". Concerning *beliefs*, he characterizes them as "*information that people have concerning objects and that, supposedly, contain some dose of veracity*".

 He refers also that "*while beliefs have little direct influence on behaviour, values have always an impact on behaviour*".

Concerning *attitudes*, he considers it (p. 282) as "*positive or negative feelings about objects*", referring Allport (1954:p.45) which defines attitude as "*a state of mental or neural preparation, organized through experience and having a direct or dynamic influence on individual responses to all objects and situations he relates to*".

Referring to the role and formation of attitudes, he cites (pp. 283-284) the Fishbein & Ajzen works (1975, 1980), which reveal on the "***Theory of Reasoned Action***" (TRA) the possibility of predicting behaviours.

This theory (*Ajzen & Fishbein, 1980*) is based on the assumption that human beings are rational and make systematic use of available information; considering the implications of their actions before deciding whether or not to perform a given behaviour. It attempts to explain the relationship between *beliefs, attitudes, intentions,* and *behaviour.*

According to the theory, the most immediate determinant of behaviour is *behavioural intention*; which, on its term, is determined by (1) *attitudes* towards performing the behaviour and (2) the *subjective norm* associated with the behaviour.

Further on, *Ajzen (1991)* has proposed a ***Theory of planned behaviour*** (TPB), by adding *perceived behavioural control* to the theory of reasoned action, in order to include factors outside a person control that may affect intentions and behaviour. The extension was based on the idea that behavioural performance is determined by *motivation* (intention) and *ability* (behavioural control).
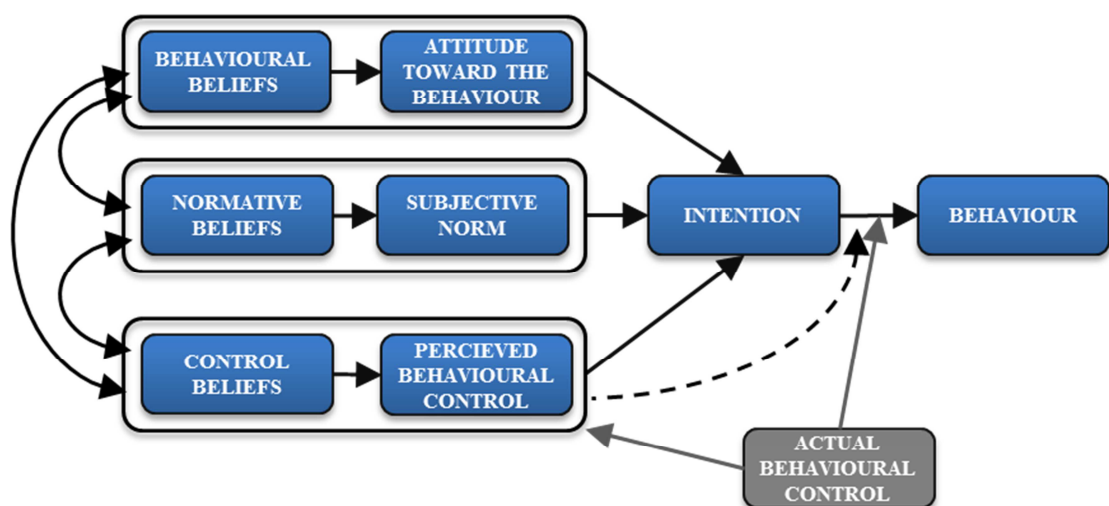
Figure 15 – Ajzen & Fishbein's Theory of Reasoned Action (TRA) and of Planned Behaviour (TPB)
Source: Ajzen & Fishbein (1980); Ajzen (1991).

So, currently the full model (figure 15) includes the following main ***dimensions and concepts***:

• ***"Behavioural Beliefs*** *– subjective probability that the behaviour will produce a given outcome;*

• ***Attitude Toward the Behaviour*** *– the degree to which performance of the behaviour is positively or negatively valued;*

- *Normative beliefs* – *the perceived behavioural expectations of such important referent individuals or groups as the person's spouse, family, friends, and (depending on the population and behaviour studied) teacher, doctor, supervisor, and co-workers;*

- *Subjective norm* – *the perceived social pressure to engage or not to engage in a behaviour;*

- *Control beliefs* – *have to do with the perceived presence of factors that may facilitate or impede performance of a behaviour;*

- *Perceived behavioural control* – *refers to people's perceptions of their ability to perform a given behaviour;*

- *Intention* – *an indication of a personal readiness to perform a given behaviour, and it is considered to be the immediate antecedent of behaviour;*

- *Actual behavioural control* – *refers to the extent to which a person has the skills, resources, and other prerequisites needed to perform a given behaviour;*

- *Behaviour* – *the manifest, observable response in a given situation with respect to a given target".*

Between these dimensions the author enhances the following relevant *relationships and main rules*:

- *"Behavioural beliefs link the behaviour of interest to expected outcomes. Although a person may hold many behavioural beliefs with respect to any behaviour, only a relatively small number are readily accessible at a given moment. It is assumed that these accessible beliefs – in combination with the subjective values of the expected outcomes – determine the prevailing attitude toward the behaviour. Specifically, the evaluation of each outcome contributes to the attitude in direct proportion to the person's subjective probability that the behaviour produces the outcome in question;*

- *According to the expectancy-value model, attitude toward behaviour is determined by the total set of accessible behavioural beliefs linking the behaviour to various outcomes and other attributes. Specifically, the strength of each belief is weighted by the evaluation of the outcome or attribute, and the products are aggregated;*

- *It is assumed that normative beliefs – in combination with the person's motivation to comply with the different referents – determine the prevailing subjective norm.*

Specifically, the motivation to comply with each referent contributes to the subjective norm in direct proportion to the person's subjective probability that the referent thinks the person should perform the behaviour in question;

- *It is assumed that subjective norm is determined by the total set of accessible normative beliefs concerning the expectations of important referents. Specifically, the strength of each normative belief is weighted by motivation to comply with the referent in question, and the products are aggregated;*

- *It is assumed that control beliefs – in combination with the perceived power of each control factor – determine the prevailing perceived behavioural control. Specifically, the perceived power of each control factor to impede or facilitate performance of the behaviour contributes to perceived behavioural control in direct proportion to the person's subjective probability that the control factor is present;*

- *It is assumed that perceived behavioural control is determined by the total set of accessible control beliefs, i.e., beliefs about the presence of factors that may facilitate or impede performance of the behaviour. Specifically, the strength of each control belief is weighted by the perceived power of the control factor, and the products are aggregated. To the extent that it is an accurate reflection of actual behavioural control, perceived behavioural control can, together with intention, be used to predict behaviour;*

- *Intention is based on attitude toward the behaviour, subjective norm, and perceived behavioural control, with each predictor weighted for its importance in relation to the behaviour and population of interest;*

- *Successful performance of the behaviour depends not only on a favourable intention but also on a sufficient level of behavioural control. To the extent that perceived behavioural control is accurate, it can serve as a proxy of actual control and can be used for the prediction of behaviour;*

- *Single behavioural observations can be aggregated across contexts and times to produce a more broadly representative measure of behaviour. In the model behaviour is a function of compatible intentions and perceptions of behavioural control. Conceptually, perceived behavioural control is expected to moderate the effect of intention on behaviour, such that a favourable intention produces the behaviour only*

when perceived behavioural control is strong. In practice, intentions and perceptions of behavioural control are often found to have main effects on behaviour, but no significant interaction".

This model is largely accepted – being successfully applied and developed within the health behaviour and health education areas (Montano & Kasprzyk, 2008) – and is particularly interesting, as it tries to explain (on a cognitive perspective) the *base chain which conditions individual behaviour,* particularly the importance of *beliefs, norms, attitude, control and intentions.*

A cross-analysis of all these models, including the above cited perspectives of Schein (2009), Conner (1999), Neves (2000), and Vargas (2005) – concerning the importance of these factors; together with values evidenced on the deeper (individual) side of Organizational Culture – reveal, as emergent knowledge for application within a real organization's transformational change holistic program, the ***relevance for a values-driven approach to organizational culture based on employee engagement and participation.***

Cameron & Quinn (1998:p.4) focusing on top firms – and evaluating the answer to relevant questions about their success (including "*what differentiates these extraordinarily successful firms from others*" and "*how have they been able to make it when others have failed*") – evidence that:

"*the major distinguishing feature in these companies, their most important competitive advantage, the most powerful factor they all highlight as a key ingredient in their success, is their **organizational culture***".

They highlight that:

"*The sustained success of these firms has had less to do with market forces than with company **values**, less to do with competitive positioning than with personal **beliefs**, and less to do with resource advantages than with **vision**.*"

Howell, Kirk-Brown, & Cooper (2012), on a large study concerning organizational values (particularly addressing the effects of congruence between "espoused" and "enacted" values over employee "affective commitment") demonstrate that:

 "*Sensitivity to the distinction between espoused and enacted organizational values provides a more comprehensive account of the values construct and a better understanding of the relationship between values and organizational commitment*"

 On their findings they suggest that:

"*When employees perceive organizational integrity is maintained, commitment to the organization is enhanced*".

Organizational researchers, mainly insiders (which are neither devoted to develop specific theories on a fine tuning approach to the existing ones, nor developing new ones to cover theoretical gaps), *are deeply interested on existing knowledge* (sometime with a positioning of avid "consumers" of theoretical research outcomes) *to establish the foundations for their research* (in order to apply it; to develop new approaches; to get results; and, desirably, to provide relevant feedback; both to the community of practice and to the research community).

Considering the *output from this kind of research* (more important than the exhaustive and demonstrative description of the method and rigour of the process) it is important to focus on "existing knowledge" (to have a good literature review); on the constructs, models, and hypothesis definition (to have a precise understanding on what has been proved/ tested, and concerning what); and, not less important, on the specific outcomes that can be learned as input contributes to the action research project (conclusions, management implications, limitations).

Within this context, this study (Howell, Kirk-Brown, & Cooper, 2012) is a particular example of a situation where important aspects are clearly presented, namely:

- ***Literature review*** – line of thought – explicit previous knowledge assertions:
  - "*organizational values hold a central role in the complex causal chain linking HR practices to organizational outcomes;*

- *many studies have examined the fit between an employee's personal values, their perceptions of the organization's current values and organizational outcomes;*

- *there is a general consensus that value similarity or congruence is beneficial to both individuals and organizations, resulting in desirable organizational outcomes such as increased employee affective commitment;*

- *personal values are generally accepted as beliefs that guide behaviours, which transcend specific situations;*

- *similarly, organizational value systems provide employees with norms that guide decisions and behaviour in the workplace;*

- *where values are perceived by employees to be an attribute held in common with the organization, a shared sense of values is promoted;*

- *this, in turn, is believed to foster positive attitudes towards the organization and strengthen affective commitment;*

- *espoused values are the values we profess to believe in, and enacted values are the values in action;*

- *the same rubric applies to organizations. Organizations have core values that help employees make sense of and guide their everyday interactions. Organizations publicly state those values considered to be important in documents, such as vision and mission statements, and as the HRM system encompasses the HR philosophy as well as practices, these are argued to drive HR practices such as recruitment and selection;*

- *enacted values, on the other hand, are values and norms actually converted into employee behaviour;*

- *when espoused values are reasonably congruent with the values enacted in the workplace on a day-to-day basis, values are said to be in alignment. This can bring the group together by strengthening the organizational culture as well as serving as a source of identity;*

- *conversely, other authors argue that any gap existing between espoused values and enacted values can complicate the interpretation and understanding of an organization's underlying value system – especially if front line employees and organization executives disagree on which values make up the organization's*

'enacted' culture. Such a gap can promote value dissonance, which could be associated with negative attitudinal outcomes such as reduced employee commitment".

- ***Argument, hypothesis and study focus justification***:
  - *"further clarification of the organizational values construct as espoused or enacted, and their congruence may differentially influence an outcome variable such as affective commitment;*
  - *on this basis, we hypothesize that Organizational affective commitment will be higher when employee perceptions of espoused and enacted values are congruent";*
  - *we focused on affective commitment as the criterion because this variable has been frequently examined as a desirable response to HR practices and has been demonstrated to have a positive relationship with turnover, job satisfaction, productivity and work attitudes".*

- ***Research findings and discussion***:
  - *"we were able to demonstrate direct and congruence effects, as well as the relative contribution of espoused and enacted values on organizational commitment;*
  - *this study found that organizational commitment was better predicted by the value dimensions associated with humanity and vision than those associated with either adherence to convention or bottom line;*
  - *it is possible that the humanity and vision dimensions reflect universal type values that meet fundamental human needs but they might also be values that are more meaningful for employees in their daily work. For example, employees may seek to be courteous, cooperative, considerate, fair and forgiving because these are appropriate workplace behaviours (social acceptance) and they promote good relations (social exchange). There is a naturalistic tendency towards these higher-order values in line with the notion of social acceptance or the reciprocity of similar treatment;*
  - *the congruency findings suggest that the more the employees perceive values relating to humanity and vision as being both endorsed and acted upon in the workplace, the more affectively committed they will be;*

- *the present findings are consistent with the idea that one's faith and trust in the organization's integrity depends on observed conformity between what the organization says it stands for and what it is perceived to do;*

- *negative work attitudes are more likely to develop, however, if those expectations are disconfirmed;*

- *when espoused values were perceived to be highly endorsed by the organization, but these values were not deeply and widely shared by organizational members and did not guide day-to-day behaviour, affective commitment was lowest. This is consistent with the argument that the employee's perception of discrepancy between expectations and experiences leads to decreased affective commitment*".

- *Management implications*:
  - "*publicly declaring values, using values in the recruitment drive, and referencing values in employee socialization are not sufficient without these values being shared between management and those being managed on a day-to-day basis;*

  - *leaders and managers should continually communicate the organization's values and work to assure that these values are not neglected but are enacted within the organization;*

  - *employee commitment therefore is not influenced so much by the organization's intention (the espoused values) but by the organization enacting these values on a day-to-day basis;*

  - *consideration of the espoused/enacted value nexus will also be an important factor for organizations wishing to engage in high commitment management (HCM), which focuses on creating the conditions necessary to facilitate voluntary employee involvement and identification with organizational goals;*

  - *ensuring value congruence between what was intended and what was implemented can be viewed as an integral HCM practice aimed at promoting affective commitment*

  - *maintaining high commitment practices such as honouring organizational values can promote employee well-being including psychological health, physical health and career progress;*

- *values espoused by organizations as promoting a humanistic or vision focus appeal to employees, and more so when the intended values are implemented in the workplace*".

Bourne & Jenkins (2013) go deeper on the subject of **organizational values**, enhancing **four forms of values** by making a clear distinction between **espoused**, **attributed**, **shared,** and **aspirational** values; claiming for the **need of its alignment**; and highlighting the **meaning of the associated gaps**.

Developing their rationale, they start with an excellent synthesis on the extreme **relevance of organizational values**, namely:

- "*The significance of organizational values is underlined by their central place in many organizational phenomena including identity, culture, person-organization fit and socialisation;*
- *Conformity with organizational values is offered as an alternative to bureaucratic control, providing potential for remote management of subsidiaries or functional activities such as service productivity;*
- *Organizational values are shown to influence the interpretation of strategic issues, strategic choice, strategic change, and management decision-making;*
- *Organizational values also shape the ethical stance of an organization, employee commitment, and relationships with external constituents;*
- *In short, values have a long reach and a wide span of influence on critical processes and characteristics in organizations*".

Subsequently, the authors propose a **framework** (figure 16) – distinguishing between *espoused*, *attributed*, *shared,* and *aspirational* values – based on a two-dimensional taxonomy which considers:

- the **orientation** of organizational values – **embedded** or **intended** – considering that "*values are embedded when they are expressed in the structures and systems of organizations, or when they are shared to the extent that members are able to anticipate other members' actions behaviours and expectations*", and, conversely, that "*values are intended when they are formally espoused by top managers or are*

advocated by a significant part of an organization's membership, but are not yet manifest in the structures and systems of organizations";

• the **level** of organizational values – **aggregated individual** or **collective social** – enhancing the distinction between "*social values as an aggregation of personal values, located at the level of the individual*", and "*social values derived from precedence, power and influence, located at the level of the collective organization*".

According to this framework, they classify:

• **attributed values:** "*those that members attribute to the organization; located at the level of the collective*";

• **espoused values:** "*sanctioned by senior managers; located at the level of the top management team*";

• **shared values:** "*reflections of members' personal values; located at the level of individual members by aggregation*";

• **aspirational values:** "*members' ideas of what ought to be the values; located at the level of individual members and groups*".
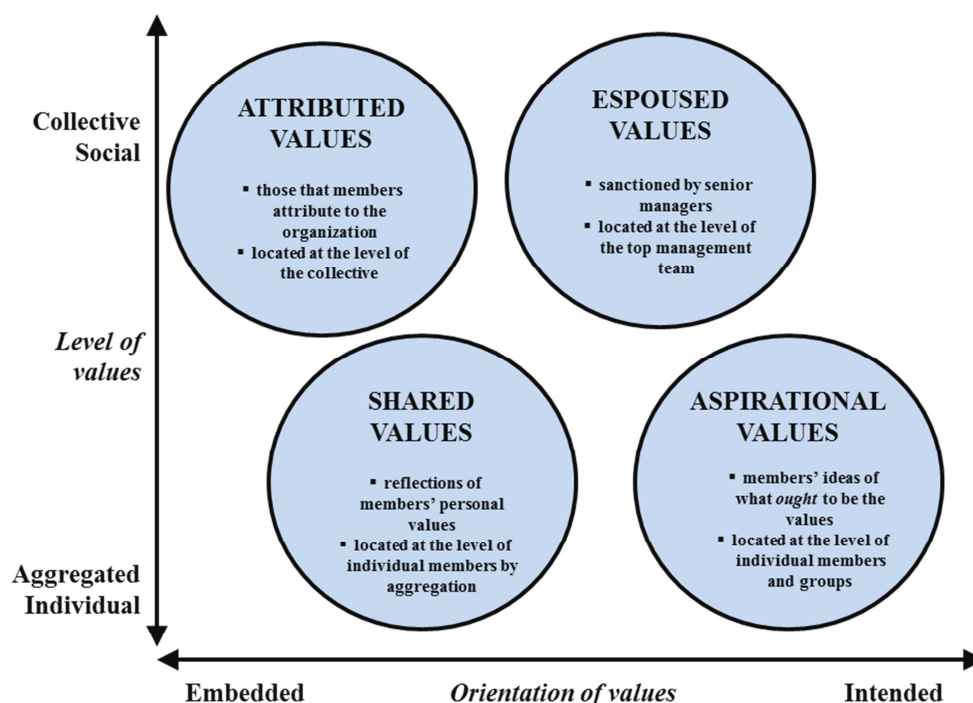
Figure 16 – Bourne & Jenkins' Organizational values: espoused, attributed, shared, and aspirational
Source: Bourne & Jenkins (2013).

Based on this framework the authors argue that "*on the basis that forms of organizational values differ in level and orientation, we can anticipate that in most organizations, much of the time, there will be some variation in the composition and emphasis between them*"; enhancing that "*such contrasts generate tensions that will increase the greater the differences, or gaps, between the forms of values*", and that "*conversely, tensions will reduce the greater the similarities, or overlaps, between the forms*".

Also – in great similarity with what is advocated at the "punctuated equilibrium theory" (Tushman & Romanelli**,** 1985) – they refer that:

- "*For most organizations, therefore, shifting overlaps and gaps between the forms of values mean that they remain in a state of flux.*
- *Periods of relative stability interrupt, and are interrupted by, periods of tension, and we suggest that conceiving organizational values as a number of distinct, but overlapping, empirical forms provides the basis for a more fine-grained analysis of their dynamics*".

And the authors proceed, analysing *high overlap*, as well as, typical *gaps among values;* thus identifying each situation (Figure 17), its meaning, and implications, namely:

1. ***High overlap****:* which occurs "*when members share values that are similar to those they attribute to the organization and which correspond to those that top managers espouse in formal documents and statements*". "*When asked what values they aspire to, members identify those they currently exhibit*". "*From some perspectives, a high degree of overlap may be considered desirable*", but "*too much of an overlap may be considered undesirable*", because "*where espoused, attributed, shared and aspirational values are essentially indistinguishable, there would be little motivation for challenging the basis for decisions and actions*";

2. ***Expectation gap***: corresponding to a discrepancy between *embedded* and *intended* values, where an overlap between the *attributed* values and the *shared* values of the *majority of members* is separated from an overlap between the *aspirational* values of *other members* and the *espoused* values of the *top managers*. It "*occurs, typically, when an organization is pulled through a process of radical change*

leading to managerial attempts to replace 'old' values with new ones", which may develop "*following a period of organizational underperformance that provokes increasing dissatisfaction amongst a significant number of members*";

3. **Dislocation gap**: when *espoused and attributed* values differ from *shared and aspirational* values, which can represent "*a fundamental disconnect between the values shared by a significant part of an organization's membership, and the values they attribute to the organization and which are espoused by top managers*";

4. **Leadership gap**: when "*there is broad alignment between shared, aspirational and attributed values, but not with the values espoused by the top management team*". It may appear if "organizational leaders espouse new values to signal conformity with certain institutional norms or strategic expectations before there is sufficient organizational support for such a move", or "*as a consequence of divergence in shared meanings between an organization's membership and its leadership*".
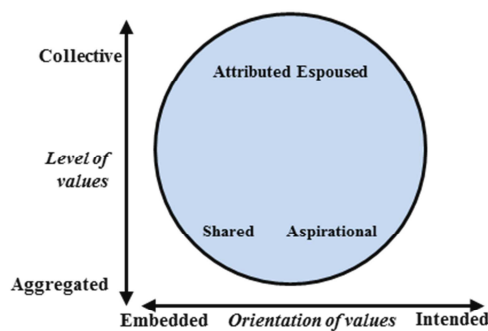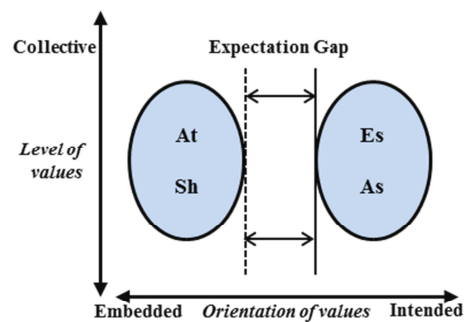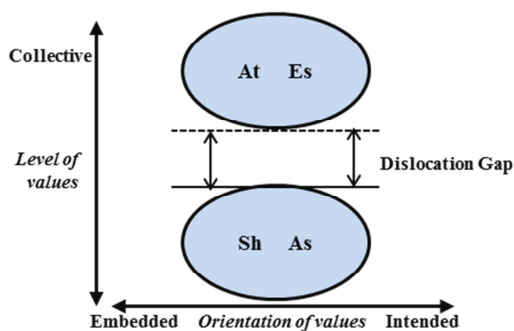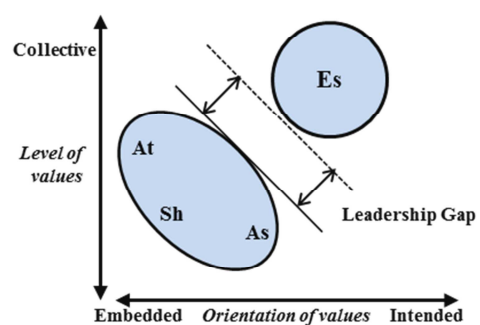
Figure 17 – Bourne & Jenkins' Forms of Organizational values: typical overlaps and gaps
Source: Bourne & Jenkins (2013).

This framework complements Howell, Kirk-Brown, & Cooper's (2012) study which has been previously presented. It provides a new insight on the existence of distinct forms of overlapping and gaps on organizational values; its possible origins; implications; and, not less important, on the *opportunity to use values as an engaging basis for organizational transformation.*

On a perspective of the dynamic of change, **Vargas (2005)** develops a *set of explanations* and a *framework of understanding* for the **progression from individual values to organizational values**; considering the organization as a community, where individuals and their leaders, as well as organizational culture, play a major role on organization development and change.

For the author, *values, together with beliefs, norms, attitudes, and behaviours are on the critical path to organizational effectiveness, integrating an ethical praxis*; where moral commitment, integrity, tolerance, and moral development levels are essential aspects of this path.

Concerning the **selection of individual values** he highlights (pp. 68) that the associated process is progressive and complex; being based on the social context of values ("*the moral accepted by the majority of a community*"); being mediated by several factors, including "*the example given by meaningful persons*", "*our personal experience*", "*our cognitive resources to explain it*", and "*our own mental maturation process*".

So, according to the author, individual values are not the result of an individual independent choice, being selected along life as a result of the "*interaction between the individual and its environment*".

Considering that each person has, on everyday life, to establish relationships with other persons with a distinct sets of values, the author highlights (p. 76-77) the concept of "*moral commitment*" as being "*the process of own relationship with other individuals which does not share with us the same set of values*" (an external process), which, along that relationship, is confronted with individual *integrity* ("*the ability of not making concessions on our own values*").

And he proceeds stating that "*to adjust ourselves to life, or to adjust life to ourselves*", we engage on personal decisions, developing moral commitments within our "*integrity tolerance zone*". Some other times, "*moral dilemmas*" ("*difficult choices between*

alternatives which imply to violate our values") appear, and that tolerance zone is violated, which implies that the decision may conduct to a "*moral conflict*" ("*the existence of own behaviours which are not coherent with our individual values*").

Another set of relevant, but distinct, concepts explored by Vargas (2005: p. 88-99), in correlation with *values* and being on the basis of individual *behaviour*, includes the notions of *emotions*, *beliefs,* and *attitudes*.

For the author, *emotions* (associated with action and caused by situations) and *beliefs* ("*representing the information that an individual associates with an object*" and "*being influenced by individual values*") determine *attitudes ("mental tendencies or dispositions to exhibit certain behaviours");* which, in turn, orient individual *behaviour.* Thus, attitudes can be inferred through behavioural observation.

For him (p. 175) within an organizational context "*the explicitation of organizational values is just the first step of a set of actions with impact in an ethical praxis*"; as it "*creates a reference system for decision taking*"; and, simultaneous, it "*establishes a clear basis to manage organizational ethics*", "*promotes behavioural alignment within the organization*"; thus "*providing gains on organizational efficiency and effectiveness*".

So, the choice of organizational values, associated with an ethical praxis, is an important step to achieve positive impacts over quality of life within the organization.

Concerning this ethical praxis, Vargas (2005:p. 158) highlights that it "*establishes the link between the internal and external universes of the organization*", where "*behaviours reflect real organizational values, either for internal or external stakeholders*", "*building organizational ethics through the action of all employees*".

We will return later to this subject – of a Values-based Management approach, on an organization development and change perspective – when highlighting the essential aspects which emerged from a literature review on major change (transformational) approaches, dynamics, and processes (3.3.5).

The above referenced studies (Alcobia, 2001; Ajzen & Fishbein, 1980; Ajzen, 1991; Howell, Kirk-Brown, & Cooper, 2012); cross-analysed with the perspectives on Organizational Culture (Schein, 2009; Conner, 1999; Neves, 2000; Vargas, 2005); emphasize the *extreme importance of considering, together, Organizational Culture and*

Values as a key critical success factor for Organizational Transformation and its future Sustainability.

Furthermore, they are essential to understand that a strong *double-congruent* (individual-organizational, espoused-enacted) *set of meaningful values*, which act, also congruently, with *beliefs* and *attitudes* toward the change objectives, can conduct to individual and group *behaviours* which are favourable (facilitating forces) to the success of the associated initiatives; thus, being critical success factors to change implementation and future sustainability.

Or, in other words (in the light of Bourne & Jenkins' (2013) framework), strengthening the overlapping between the "*espoused, attributed, shared, and aspirational values*"; minimizing the "*expectation gap*", the "*dislocation gap*", and the "*leadership gap*"; can be (1) an *organizational change values-based strategy;* (2) a good *way to reach a new organizational equilibrium status* rooted on strong and shared organizational values, or to promote new values and its realignment through an intended change program (Vargas, 2005).

3.2.3.2 Organizational Identification, its antecedents and impacts

One important dimension on the critical path to employee involvement, engagement, and associated extra-role positive behaviours (including organizational citizenship behaviour) lies on **Organizational Identity** and **Organizational Identification.**

According to **Tavares (2007)** "t*he complexity, dynamism, and heterogeneity which currently mark the ground of organizational identity, foster an increased interest on the study of the processes of individual identification with the organization, and a reanalysis of the role of organizational bindings within organizational theories and practices*".

Thus, the author enhances *organizational identification* as a critical construct to understand individual and group work attitudes and behaviours; emphasizing (by reference to a Riketta, 2005 meta-analysis) that "*on an organizational perspective, organizational identification has been described as being positively related to cohesion and cooperation within the organization, to motivation, to performance and to individual extra-role behaviours*".

Citing Pratt (1998, p. 171) she refers that it exists the idea that "*Organizations must favour organizational identification in order to facilitate its own functioning, being this identification seen by managers as a desired and normatively expected result*".

Arguing that "*organizational identification is a constitutive element of individual identity – as a result of an active and interpretative process of judgement, meaning inference and sense attribution, which occurs on a continuous form, and is cyclically reviewed when the individual interacts with others*", the author describes it as a multidimensional construct; stating that "*in order for the individual to identify itself with the organization it is necessary that (1) he is conscious that he is part of the organization (cognitive dimension), (2) he attributes a positive emotional meaning to that belonging (emotional dimension), and (3) he values and considers it as central to his self-definition as a person*".

Based on an exhaustive literature review, Tavares (2007) systematizes and classifies a set of specific factors which influence each of these components; proposing a *general multilevel model of Organizational Identification Predictors* (figure 18) where – beside individual, contextual, and individual-organization interaction factors – she include environmental factors associated to country and activity industry sector.
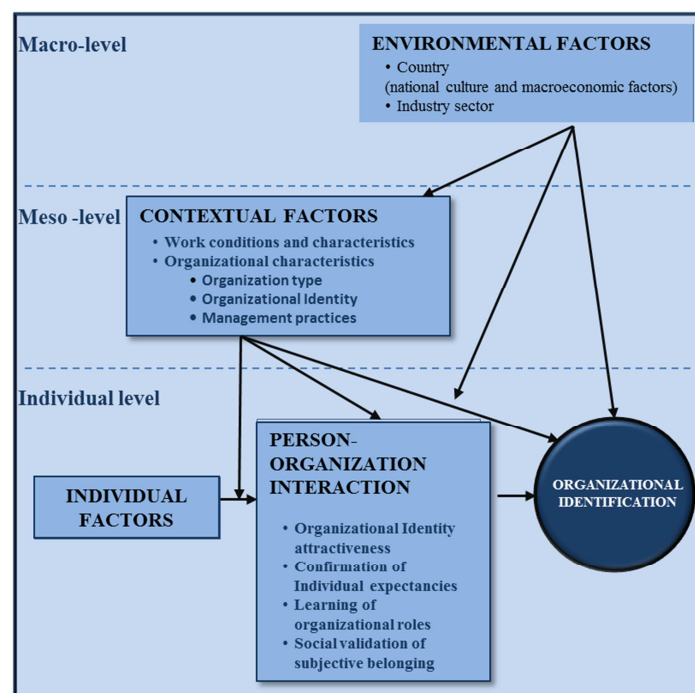
Figure 18 – Tavares' General multilevel model for Organizational Identity Predictors
Source: Tavares (2007).

Concerning the *implications of Organizational Identification* – citing Dutton, Dukerich, & Harquail (1994) – she refers that "a*s individuals became more psychologically bound to the organization, their relationship with the organization changes, resulting on the exhibition of systematically different psychological involvement*" (p. 255).

Considering these implications over two distinct perspectives – enhancing, on one hand, its impact on *organizational functioning*, and, on the other hand, its consequences over *individual well-being* – the author elaborates a proposal for a Framework on Empirical Studies on *Organizational Identification Consequences* (figure 19) where she includes the Cognitive, Emotional, and Behavioural dimensions.
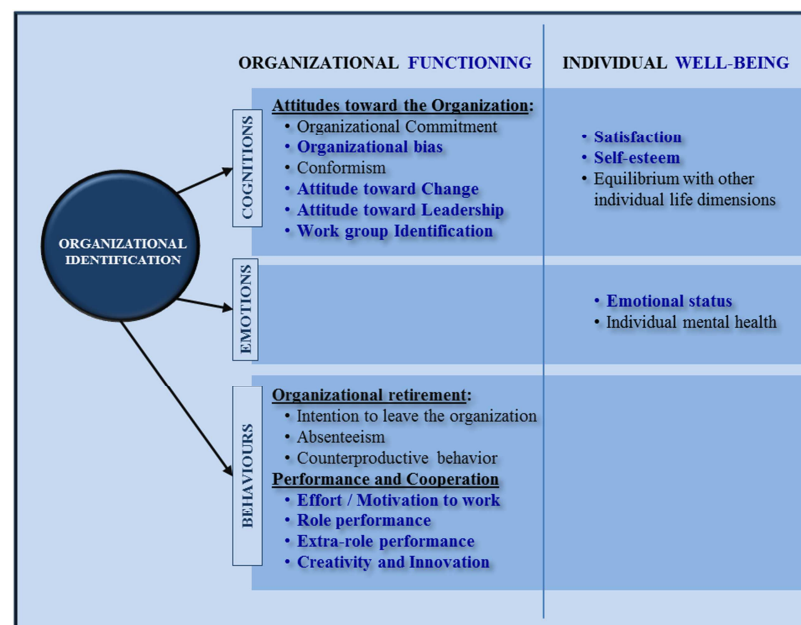
Figure 19 - Organizational Identification Consequences – Tavares' systematization of empirical studies
Source: Tavares (2007).

Within this model it is important to highlight the relevance of Organizational Identification (as a "*key variable on the events' chain which conduct to organizational effectiveness*") on its positive effects over *attitudes toward the organization* (particularly in the domain of commitment, attitude versus change, attitude versus leadership, and attitude versus the work group), and over *performance and cooperation* (including effort/motivation to work, role performance, extra-role performance, cooperation, creativity, and innovation).

The author also refers (citing Ashforth & Mael, 1989; and Dutton et al.,1994:p.253) that a specific consequence of Organizational Identity is the *enforcement of its own antecedents* (namely its attractive to the individual); opening the path to a *mutual enforcing cycle* which will condition the maintenance of organizational identification along time; whereas, as far as the individual stronger its identification with the organization, the probability of the beliefs that develop on top of it, as well as the positive way as he precepts it, increases.

Particularly, extra-role positive behaviours – "*individual behaviour that is discretionary, not directly nor explicitly recognized by the formal reward system and that in the aggregate promotes the effective functioning of the organization*" (Organ, 1988) – which also emerge from organizational identification are critical for effective organizational performance (Katz, 1964; Organ, 1988, 1997).

3.2.3.3   Commitment, Psychological Sense of Community, and Extra-role Behaviour

Understanding the positive attitude and behaviour towards change – in order to potentiate them in favour of individuals, groups, and the organization, along the transformation process – is a base condition for its success.

Within this view, an important attitude which is related to high performance outcomes is associated with the concept of ***organizational commitment***.

Meyer & Allen (1991), developing the distinction between *attitudinal* and *behavioural* commitment, argue that

> "*Commitment, as a psychological state, has at least three separable components reflecting (a) a **desire** (affective commitment), (b) a **need** (continuance commitment), and (c) an **obligation** (normative commitment) to maintain employment in an organization*".

As a common aspect underlying these three approaches, the authors consider *commitment as a psychological state* that (a) characterizes the employee's relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization.

They base the *main distinction between attitudinal and behavioural commitment* on Mowday et al.'s (1982:p. 26) definition, clarifying that:

"*Attitudinal commitment focuses on the process by which people come to think about their relationship with the organization. In many ways it can be thought of as a mindset in which individuals consider the extent to which their own values and goals are congruent with those of the organization.*

Behavioural commitment, on the other hand, relates to the process by which individuals become locked into a certain organization and how they deal with this problem".

Considering the three basic *components* of commitment, they enhance its main distinction:

1. "**Affective commitment:** *refers to the employee's emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with the organization because they want to do so.*

2. **Continuance commitment:** *refers to an awareness of the cost associated with leaving the organization. Employees whose primary link to the organization is based on continuance commitment remain because they need to do so.*

3. **Normative commitment:** *reflects a feeling of obligation to continue employment. Employees with a high level of normative commitment feel that they ought to remain with the organization.*"

Based on an exhaustive literature review (and considering that "*each component is considered to develop as a function of different antecedents and to have different implications*") they propose (p. 68) a *three-component model for organizational commitment* (figure 20).

Although (as the authors refer concerning the model) "*the aim of this reconceptualization is to aid in the synthesis of existing research and to serve as a Framework for future research*", there exist some important, useful knowledge, conclusions to be retained for organizational application purposes, namely that "**commitment** *develops as the result of* **experiences** *that* **satisfy** *employee's* **needs** *and/or are compatible with their* **values**".
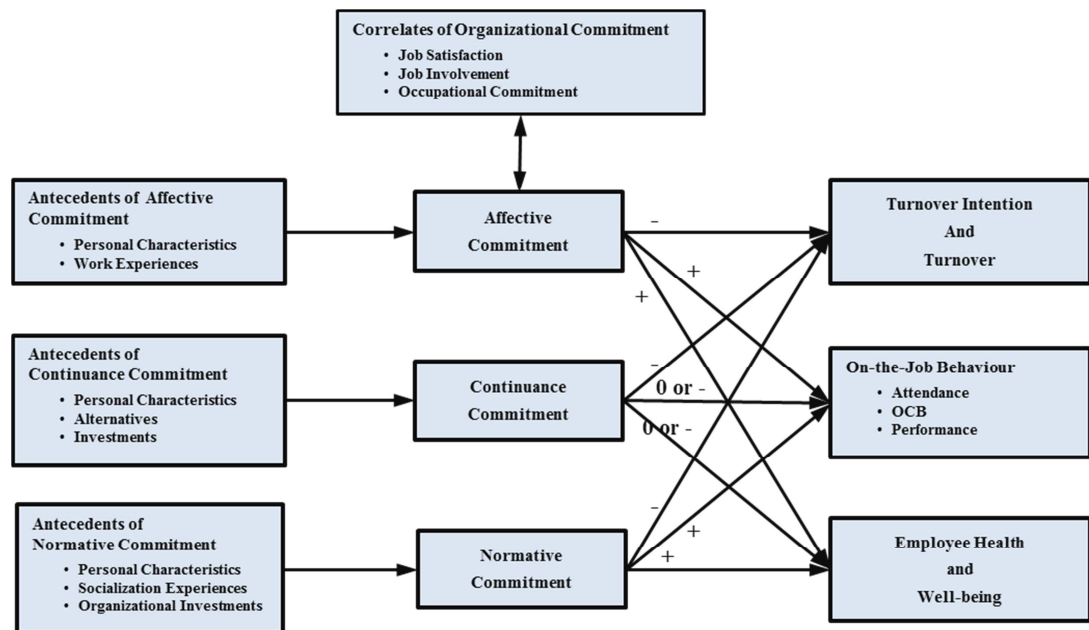
Figure 20 – Meyer & Allen's Three-component Model of Organizational Commitment
Source: Meyer & Allen (1991), as updated by Meyer et al. (2002:p.22).

This, being more conclusive for the *affective* component, enhances the importance of need's fulfilment and values' matching, as an *antecedent of commitment*.

Also, concerning the positive impact of *affective* commitment on work-related behaviour, it is important to enhance the authors' conclusions, highlighting that:

> "*employees who want to belong to the organization (affective commitment) might be more likely than those who need to belong (continuance commitment), or feel obligated to belong (normative commitment), to exert effort on behalf of the organization*".

Based on this Three-Component Model (from Meyer & Allen, 1991), **Meyer et al. (2002)** have conducted a meta-analysis where they have confirmed these findings; namely that "*affective commitment had the strongest and most favourable correlations with organization-relevant (attendance, performance, and organizational citizenship behaviour) and employee-relevant (stress and work–family conflict) outcomes*".

So, *affective commitment* and its main antecedents (including *need's fulfilment*, and individual-organizational *values' matching*) are important factors to be considered by its positive impact; from an organizational and individual point of view.

More recently, ***Roe, Solinger, & Van Olffen (2009)***, on an exhaustive literature review on the subject – although enhancing that the construct, its antecedents and implications still need further research advancements and consolidation – summarize some of these ***important aspects concerning organizational commitment*** which, from the point of view of its application, must be considered as relevant, namely:

- "*In the recent literature on organizational behaviour there is a great interest in understanding and influencing the commitment of employees towards their organizations. It gives the impression that control over employee commitment is key to successful management of organizational transitions in times of strategic change*" (p. 130);

- "*Key publications from early days included Walton (1985), who triggered the interest of managers in 'managing-by-commitment' instead of 'management-by-control';*

- "*If we confine ourselves to measures of 'affective commitment,' we can conclude that organizational commitment co-varies positively with various other measures, ranging from job involvement, job-, pay- and co-worker-satisfaction to job performance, citizenship behaviour (OCB) and the absence of stress and turnover intentions. These robust associations were demonstrated across studies in meta-analyses";*

- "*Many authors have given recommendations how to instil a greater level of commitment. Among them are developing a common vision, creating a strong normative environment, and adopting a transformational leadership style*".

Concerning the "*earning of employee commitment*", ***Dessler (1999),*** arguing that it "*requires a comprehensive, multifaceted management system, consisting of an integrated and internally consistent package of concrete actions and policies*", provides a set of main *recommendations to implement a commitment-oriented management system*, including:

- "***Commit to people-first values****: put it in writing; hire right-kind managers; walk the talk;*

- *Clarify and communicate your mission: clarify the mission and ideology; make it charismatic; use value-based hiring practices; stress values-based orientation and training; build the tradition;*

- *Guarantee organizational justice: have a comprehensive grievance procedure; provide for extensive two-way communications;*

- *Create a sense of community: build value-based homogeneity; share and share alike; emphasize barnraising, cross-utilization, and teamwork; get together;*

- *Support employee development: commit to actualizing; provide first year job challenge; enrich and empower; promote from within; provide developmental activities; provide employee security without guarantees*".

So, by its dimensions, antecedents, and implications above described, *Organizational Commitment is a construct with extreme relevance* concerning organizational life, employee well-being, and active engagement.

Another significant concept – which has primarily emerged from the areas of community psychology, sociology, and public health – corresponds to the construct of *Psychological Sense of Community* (PSOC).

It has been recently systematized and translated for application to the field of management by *Boyd & Nowell (2014).*

In favour of the *relevance of its transposition to the organizational literature*, the authors invoke Mintzberg (2009), which argued that:

"*the most recent economic crisis found fertile ground in contemporary organizations characterized by detached (heroic) leadership and cultures that celebrate and reward short-term success regardless of long-term consequences*", and proposed that "*the fields of management and leadership need to rebuild companies as communities for the long-term success of the firm*".

As referred by the authors, one of the earlier definitions of PSOC has been set by Sarason (1974) as:

"*the perception of similarity to others, an acknowledged interdependence with others, a willingness to maintain this interdependence by giving to or doing for others what one expects from them, and the feeling that one is part of a larger dependable and stable structure*". (p. 157).

Further on, ***McMillan & Chavis (1986:p.9)*** – ***defining PSOC*** as "*a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together*", and considering it as a multidimensional construct – elaborated on its *key components* by including four ***main dimensions***:

1. "***Membership*** – *a feeling of belonging or of sharing a sense of personal relatedness;*

2. ***Influence*** – *a sense of mattering, of making a difference to a group, and of the group mattering to its members;*

3. ***Integration and fulfilment of needs*** – *a feeling that members' needs will be met by the resources received through their membership in the group; and*

4. ***Shared emotional connection*** – *the commitment and belief that members have shared and will share history, common places, time together, and similar experiences.*"

More recently, ***Nowell & Boyd (2010)*** – arguing that "*very little consideration has been given to PSOC that is rooted (not in expectations of personal gain) but rather in a sense of personal responsibility to the community to which one is a member*" – included, on these key components, *a fifth dimension of* ***responsibility***.

For them, this "*sense of responsibility to advance the health and well-being of a community and its members*", "*is born out of an interaction between the individual's perception of the community context and their personal ideology concerning what one's relationship to such a community should be*", and have some "*parallels in the emerging literature on organizational virtuousness*".

Based on these elements (Sarason, 1974; McMillan & Chavis, 1986), and conceptualizing organizations as "social collectives that can be experienced as a community by its members", ***Boyd & Nowell (2014) propose*** now, for organizational contexts, ***a definition of PSOC*** as

> "*A member's feeling of being part of an interdependent community, a feeling that one is part of a larger dependable and stable structure that will meet key needs, and a sense of responsibility for the well-being of that community and its members.*" (p. 109),

and *transpose* (pp. 109-110) McMillan & Chavis's (1986) four dimensions to an **organizational** contextualization; also including the responsibility dimension (Nowell & Boyd, 2010). So, they consider:

1. "**Membership**: *A feeling of belonging or of sharing a sense of personal relatedness. Applied to organizational contexts, membership would refer to feelings of belonging and personal relatedness to specific social collectives such as a work unit or team, a department or division, or a whole organization.*

2. **Influence**: *A sense of mattering, of making a difference to a group, and of the group mattering to its members. In organizational contexts, influence would translate to employee and manager perceptions about the extent to which they are able to express their opinions in ways that shape decision making and organizational plans and actions;*

3. **Integration and fulfilment of needs**: *A feeling that member needs will be met by the resources received through their membership in the group. This would translate in terms of the degree to which employees view that a variety of physiological and psychological needs are being fulfilled by receiving pay, benefits, training, safety, and recognition.*

4. **Shared emotional connection**: *A belief that members have shared and will share history, common places, and time together and similar experiences. In organizational contexts, employees feel shared emotional connections as they work together on projects, collectively experience up and down economies, share the prospects of company growth together, and experience times of personal joy and sadness with each other.*

5. **Responsibility**: *A commitment to the well-being of the group and its individual members. In organizational settings, employees may feel a sense of responsibility to co-workers in the form of project help, advice and counselling, and emotional support. As well, employees may feel responsible for the success and well-being of the organization as a whole*".

As defined here, and translated into organizational terms, the concept and its core dimensions exhibit high potential for application – aggregating relevant dimensions of attitudes and states of mind; attaching individuals together with their peers within

groups; and sharing common values and believes. They can be successfully used to promote congruent and confluent behaviours, toward the development of organizations as effective communities.

The article (Boyd & Nowell, 2014) also provides (p. 111-114) an in-depth *analysis of PSOC in parallel with other key construct*s in the field of management – including team cohesion, organizational identity, organizational commitment, psychological contracts, and social capital – in terms of definition, focus, dimensions, similarities, and uniqueness; considering it as "unique from these other management constructs", but strongly interrelated.

Focusing on its positive influences, the authors (after reviewing the empirical literature on the outcomes of PSOC "*from parallel literatures with an eye toward examining the relevance of such outcomes for organizational / management contexts*") synthesize two major dimensions of impact: (1) the relationship of PSOC to indicators of psychological well-being, and (2) PSOC as a motivator of pro-social behaviour.

Discussing the possible utility of the construct to other areas of inquiry, they refer in particular (p.116) that:

"*one context for exploring the applicability of PSOC is in the field* of *organization development and change*", where "*several authors have suggested that PSOC might be an important ingredient for organizational members during the stages of a change event, and that PSOC might be important for change agent teams, top executive leadership, self-directed work groups, and other stakeholders during change initiatives*", précising that "*for example, change agent teams typically work in close proximity to each other, and tend to continuously debate and challenge ideas as they are generated*".

Also, as an important knowledge base for participative change interventions, they refer that:

"*given its posited relationship to collaborative learning (e.g., Kreijns, Kirschner, & Jochems, 2003), there is reason to suspect that PSOC may positively influence a group's ability to generate alternative ideas and solutions to problems*".

As defined (and previously detailed in its antecedents and positive implications) the development of a Psychological Sense of Community within Organizations is essential; either to be explored within Participative Organizational Transformation processes, as well as to be considered as some kind of "organizational attachment". It largely supersedes (pointing into a quite differentiated direction) the old management approach based on the enforcement of "the Psychological Contract" (which represents individual's attachment solely on the basis of an exchange transaction).

Another wide explored concept – which is included by some authors in extra-role behaviour – corresponds to **Organizational Citizenship Behaviour (OCB)**.

Its *more commonly adopted definition* is still the one which has been established by **Organ (1988, p.4)**:

> "*Individual behaviour that is discretionary, not directly nor explicitly recognized by the formal reward system and that in the aggregate promotes the effective functioning of the organization*".

However (**Cunha et. al., 2005**: pp. 241-243) there exists some controversy about the *discretionary* dimension of this definition (which risks its classification as extra-role behaviour); and, also, some discussion about the *non-reward* recognition; its reconceptualization around the concept of *contextual* performance (by contraposition to *task* performance) enforces its specificity and relevance over organizational performance.

This reconceptualization, on the basis of *contextual performance*, assumes that

> "*individuals also contribute to organizational effectiveness with actions which are not directly related with their main functions, but that are important as they model the organizational, social and psychological context which serves as a critical catalyser to task activities and processes*" (Cunha et al., 2005:p. 243).

And the authors, citing Borman & Motowidlo (1997) enhance their taxonomy evidencing some major *contextual categories and dimensions of performance*, as depicted by table in figure 21.

Category / Type	Example / Dimension
Persisting with enthusiasm and extra effort as necessary to complete own task activities successfully	• Perseverance and conscientiousness. • Extra effort on the job.
Volunteering to carry out task activities that are not formally part of own job	• Suggesting organizational improvements. • Initiative and taking on extra responsibility. • Making constructive suggestions. • Developing oneself.
Helping and cooperating with others	• Assisting/helping customers. • Organizational courtesy. • Sportsmanship. • Altruism. • Assisting helping co-workers.
Following organizational rules and procedures	• Following orders and regulations and respect for authority • Complying with organizational values and policies. • Conscientiousness. • Meeting deadlines. • Civic virtue.
Endorsing, supporting, and defending organizational objectives	• Organizational loyalty. • Concern for unit objectives. • Staying with the organization during hard times and representing the organization favourably to outsiders. • Protecting the organization

Figure 21 - OCB and Bormon & Motwidlo's taxonomy of Contextual performance
Source: Borman & Motowidlo (1997).

Based in Organ (1988), Podsakoff et al. (1990), MacKenzie et al. (1991, 1993), and Podsakoff et al. (1993) the authors highlight *five essential dimensions of OCB;* and characterize them; namely when employees exhibit some ***behavioural patterns***:

• ***Conscientiousness:*** *go beyond normal requirements or expectations;*

• ***Sportsmanship:*** *have a positive attitude and are willing to tolerate less than ideal circumstances without complaining;*

• ***Civic Virtue:*** *reveal engagement and responsible participation in the governance of the organization;*

• ***Altruism:*** *help co-workers with job relevant duties and tasks;*

• ***Courtesy:*** *are polite, considerate others, and treat them with respect.*

Answering to the question "*what induces individuals to exhibit organizational citizenship behaviours*", they identify and systematize a wide set of **positive influential factors** which can explain the evidence of such behaviour, namely:

- **Attitudinal antecedents:** *including satisfaction, perception of organizational justice, trust on organization and management, commitment, perceived organizational support, psychological sense of a work community;*
- **Personality characteristics:** *including conscientiousness, propensity to trust, affiliation motivation, collective orientation, self-esteem, positive affectivity, and a strong internal locus of control;*
- **Organizational aspects:** *including, among other aspects, transformational leadership behaviour, group cohesion, person-organization congruence, work characteristics, and participation in decision taking processes.*

Concerning the "*leadership factor*", relevance should be made that its positive influence on OCB has been evidenced by many empirical studies; not only confined to transformational leadership, but also highlighted by other perspectives; including "servant leadership", "charismatic leadership", "authentic leadership", and "Leader-Member Exchange" theories.

Concerning the third part of Organ's (1998) definition of OCB – "*that in the aggregate promotes the effective functioning of the organization*" – it is important to understand the "why" of considering it within a transformational change process, and "how" it can has positive implications over individuals and organizations.

Podsakoff et al. (2009) meta-analysis – using a conceptualization (Williams & Anderson, 1991) which *separates OCB into categories* on the basis of the target of the behaviour (OCBI, toward the benefit of *other individuals*; and OCBO, toward the *organization*) – explores their interrelationships, and implications; concluding (p.184) as **main implications for practitioners** that:

"*Perhaps the most important finding of our study for practicing managers is that OCBs appear to have important relationships with some organizational measures of*

"bottom line" effectiveness. The obvious implication of this is that managers should try to motivate employees to exhibit these types of behaviours.

Previous research indicates that some of the best determinants of OCBs are employee perceptions of fairness, transformational leadership behaviours, employee attitudes (e.g., job satisfaction and organizational commitment), and to a lesser extent personality traits such as conscientiousness.

This would suggest that managers should try to focus on selecting employees with a propensity to engage in OCBs, and to create a work environment that encourages employees to exhibit these behaviours.

However, it is important to note that our findings suggest that OCBs have a stronger relationship with more proximal measures of organizational performance such as unit productivity and cost reduction as opposed to distal indicators such as unit profitability.

This would suggest that managers may have more success influencing organizational effectiveness measures that are more proximal to employee citizenship behaviours than measures that are not as directly linked in the organizational value chain.

In addition, although our findings demonstrate a clear relationship between OCBs and customer satisfaction, it is important to note that these findings may be restricted to service contexts in which the employees have direct contact with the customers.

Therefore, it may be important for managers to take the nature of the employee–customer relationship into account when considering the potential effect that increased levels of OCBs may have on customer satisfaction.

Furthermore, our results indicate that the practice most managers have of weighting OCBs in their individual evaluations is an appropriate and functional one, as these behaviours do relate to objective measures of organizational performance.

This would suggest that the impact of OCBs on appraisal ratings is not simply error variance to be eliminated but rather represents a desirable source of variance in appraisals that should relate in a meaningful way to unit effectiveness."

Cunha et al. (2005: p. 251), based on a wide source of publications, summarize and exemplify eleven ***main reasons on why OCB can have a positive influence on***

organizational effectiveness. They highlight that organizational citizenship behaviours can:

- • "*Increase the productivity of co-workers,*
- • *Increase managers' productivity,*
- • *Decrease costs, and free resources to more productive activities,*
- • *Reduce resource allocation to team maintenance activities;*
- • *Facilitate coordination among team members and within work groups,*
- • *Contribute to retain and attract more competent people,*
- • *Facilitate organizational performance stability,*
- • *Facilitate organizational adaptation to environmental changes,*
- • *Contribute to the promotion of organizational learning,*
- • *Contribute to decisions' quality improvement, and*
- • *Contribute to customers' satisfaction, fidelity, and attraction*".

Based on this knowledge – concerning OCB dimensions, antecedents, and positive potential impacts; either at individual's, as well as, at organizational levels – it is important to understand and recognize the relevance of these aspects for a transformational program; mainly when targeting, as a whole, the individual, group, and organizational development of effective conditions (promoting values, cultural conditions, team effectiveness, leadership development, and individual behaviours) to increase organizational effectiveness.

3.2.4 Support Structures for Workforce Development

One of the most effective structures to serve *employee strategic development* – in the sense of supporting a *permanent workforce training and development;* incorporating and promoting *organizational learning* – corresponds to the *Corporate University concept*.

Exploring the concept, Meister (1992) deeply elaborates on the subject, providing strong illustrative examples of high-level practices from major international corporations. Referring that "*the corporate university is emerging into the twenty-first century as the fastest growing sector of higher education*", she asserts (p. 1) that major firms "*are transferring their successful business models of service, accessibility, and state-of-the-art technology to*

corporate education", using the corporate university as "*a key instrument for cultural change*".

According to the author, as a result of five main driving forces ("*the emergence of the flat, flexible organization; the transformation of the economy into a 'knowledge economy'; the shortened shelf life of knowledge; the new focus on lifetime employability rather than lifetime employment; and a fundamental shift in the global education marketplace*") **the corporation is in transition on ten essential aspects** (:p. 3):

1. **Organization**: from "hierarchy" to "network of partnerships and alliances";

2. **Mission**: from "supporting the current way of doing business" to "creating value-added change";

3. **Leadership**: from "autocratic" to "inspirational";

4. **Markets**: from "domestic" to "global";

5. **Advantage**: from "cost" to "time";

6. **Technology**: from "tools to support the mind" to "tools to support collaboration";

7. **Work force**: from "homogeneous" to "diverse";

8. **Work process**: from "separate work functions" to "cross-functional work teams";

9. **Worker expectation**: from "security" to "personal development";

10. **Education and training**: from "a job of institutions of higher education" to "corporate America plus an array of for-profit educational firms".

So, "*all of these changes put entirely new demands on workers and require that they master entirely new roles and skill sets*".

As a consequence, Employee Training and Development has evolved to a new paradigm, "*from training to learning*", with new **characteristics**:

> "*Anywhere, any place, building core workplace competencies, incorporating action learning, shifting from individual to team, developing corporate universities, facing learning as a continuous process, and focusing on real problem solving*". Meister (1998:22)

The Corporate University, as "a metaphor for learning", represents a cohesive structure, with "*proactive focus, strategic scope, enrolling on just-in-time learning, and increasing on-the-job performance*".

It should not only cover "*traditional*" training, but *address* (p. 90) *new areas*:

- "*Corporate citizenship:* culture, values, traditions, and vision,

- *Contextual framework:* grounding employees on an appreciative vision of the company, its customers, competitors, and best practices, and

- *Development of "core workplace competencies":* learning to learn, communication and collaboration, creative thinking and problem-solving, technological and global business literacy, leadership development and career self-management skills".

So, being the Corporate University the "*strategic umbrella for developing and educating employees, customers, and suppliers in order to meet an organizational business strategies*", it must align with some *basic goals and principles* (:pp. 30-58), namely:

1. "*Provide learning opportunities that support the organization's critical business issues;*
2. *Consider the corporate university model a process rather than a place of learning;*
3. *Design a curriculum to incorporate the three Cs: Corporate citizenship, Contextual framework, and Core competencies;*
4. *Train the value chain, including customers, distributors, product suppliers, and universities that provide tomorrow's workers;*
5. *Move from instructor-led training to multiple formats of delivering learning;*
6. *Encourage leaders to be involved with and facilitate learning;*
7. *Move from a corporate allocation funding model to one "self-funded" by the business units;*
8. *Assume a global focus in developing learning solutions;*
9. *Create a measurement system to evaluate outputs as well as inputs; and*
10. *Utilize the corporate university for competitive advantage and entry into new markets.*"

In terms of the *design of a corporate university*, Meister (1998:pp. 65-85) details the essential aspects of its *building blocks*, namely:

1. "*Form a governance system;*
2. *Create a vision;*

3. *Recommend the scope and funding strategy;*

4. *Create an organization;*

5. *Identify stakeholders;*

6. *Create products and services;*

7. *Select learning partners;*

8. *Draft a technology strategy;*

9. *Create a measurement system; and*

10. *Communicate."*

Considering these main aspects, it can be argued that Meister's (1998) view – stressing that currently "*workers from the factory floor to the customer service hotline, and ultimately to the executive suite, must think and act at higher levels*"; incorporating these requirements into the Corporate University concept; thus pointing to "*continuous learning, a heightened focus on broad, yet deep business literacy skills, and, importantly, building partnerships with suppliers, customers, and educators*" – ***represents a well-founded, wide, and pragmatic approach to Learning as an effective instrument of Organization Development; serving Business Development, and, consequently, Organizational Effectiveness.***

Despite the IT Academy unit (as it has been implemented) does not correspond to the whole dimension of a Corporate University (as characterized here), most of its generative ideas (in terms of the organizational learning and development concept) have been considered. They have been important references to enlighten its scope, strategic model, main operating principles, and practices.

3.2.5 Process Improvement and Tool Implementation

On *software process improvement* (SPI), Muller, Mathiassen, and Balshoj (2010) emphasize that a significant number of publications on the subject address SPI with a primary *focus on organizational change*.

They refer strong evidence that "*effective management of change during SPI requires serious consideration of context and underpinning values*", highlighting some critical success factors:

"A*lignment with business goals, communicating clear SPI goals and managing expectations amongst employees, ensuring that senior management is committed and allocates the resources needed for SPI, making sure that employees feel well equipped for SPI participation (informed, trained, and motivated), getting all levels of the organization engaged in SPI through participation, having well-defined process descriptions of what to do and plans for how to do it, measuring progress towards the SPI goals, and enlisting support from within and outside the organization"*.

This is an approach with a holistic perspective which clearly *integrates the main role of Organization Development into Software Process Improvement*; particularly considering the relevance of an *active engagement of individuals and groups* onto organizational change dynamics and processes.

Albeit most SPI frameworks and models focus excessively on the process, product, and service dimensions, this wide vision is undoubtedly the one which is adopted by us.

Considering that these most relevant aspects – related with Organizational Culture and Values, Leadership and Team Effectiveness, Values and Employee Engagement, Quality and Organizational Excellence, Organizational Development and Planned Change – are deeply covered on other chapters of this dissertation; we will now explore more deeply the aspects directly associated with the reference framework which had been used. We refer to one of the most used frameworks for *assessing software development process maturity*: the Capability Maturity Model Integration (CMMI) from the Software Engineering Institute (SEI).

It integrates a set of "*best practices that help organizations to improve their processes*" (CMMI Product Team, 2010; Chrissis, Konrad, & Shrum, 2011), and specific orientations for a *formal appraisal* process (SCAMPI Upgrade Team, 2011) conducting to a *certification*.

Chrissis, Konrad, & Shrum (2011), although considering that exist several dimensions (including *people*, *procedures, and methods;* and *tools and equipment*) that an organization can focus to improve its business (Figure 22), argue (p. 4) that the **processes** used in the organization play a focal role, because they "*hold everything together*".

This evidences CMMI as being, mainly, a *process-centred framework*.
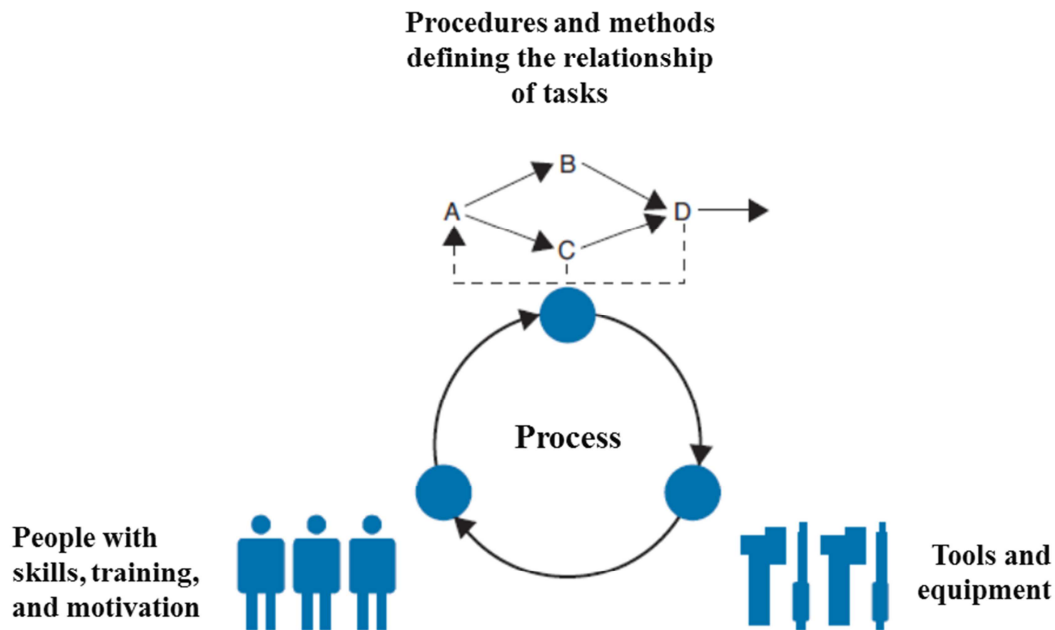
Figure 22 - The "critical dimensions" of Business Improvement – with a focus for Processes
Source: Chrissis, Konrad, & Shrum (2011).

As any framework CMMI has its own *architecture and basic concepts*.

One of these is the concept of "***constellation***", which is defined (Chrissis, Konrad, & Shrum, 2011:p. 14) as "*a collection of CMMI components that are used to construct models, training materials, and appraisal related documents for an area of interest*".

CMMI has three base constellations: CMMI for Development (CMMI-DEV), CMMI for Services (CMMI-SVC), and CMMI for Acquisition (CMMI-ACQ). By its specific purpose, we will, naturally, focus on CMMI for Development.

Another set of base elements which underlay CMMI architecture corresponds to the interrelated (Figure 23) concepts of "***process area***", "***goal***" (generic or specific), and "***practice***" (generic or specific), defined as follows:

- ***Process area:*** "*A cluster of related **practices** in an area that, when implemented collectively, satisfies a set of **goals** considered important for making improvement in that area*";

- ***Generic goal: "**A required model component that describes characteristics that must be present to institutionalize processes that implement a **process area**";*

- *Specific goal: "A required model component that describes the unique characteristics that must be present to satisfy the process area":*

- *Generic practice: "An expected model component that is considered important in achieving the associated generic goal"; and*

- *Specific practice: "An expected model component that is considered important in achieving the associated specific goal".*
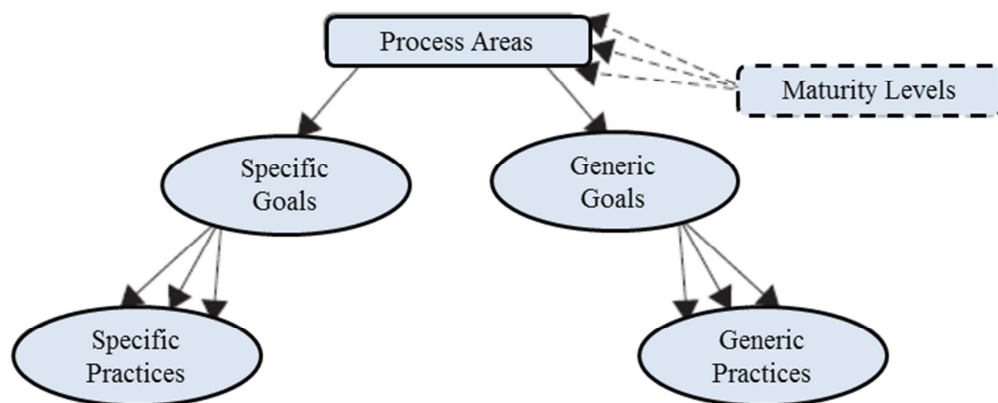
Figure 23 - CMMI – structural base concepts associated with a staged representation
Source: Chrissis, Konrad, & Shrum (2011).

In a **staged representation** ("*a model structure wherein attaining the goals of a set of process areas establishes a maturity level; each level builds a foundation for subsequent levels*") those *maturity levels* are associated to process areas.

This is done through the observation and collection of evidence of organizational practices associated with CMMI prescribed goals and practices, along an *appraisal process*.

This formal process is named as **SCAMPI: Standard CMMI Appraisal Method for Process Improvement**, being the SCAMPI A appraisal method (SCAMPI Upgrade Team, 2011) the most rigorous method officially recognized by SEI.

Concerning the **maturity levels** associated with the staged representation, CMMI considers them as consisting of "*related specific and generic practices for a predefined set of process areas that improve the organization's overall performance*"; where "*the maturity level of an organization provides a way to characterize its performance*"; being a "*defined evolutionary plateau for organizational process improvement*"; where "*each maturity level matures an important subset of the organizational processes, preparing it to move to the next maturity*

level"; and being "*measured by the achievement of the specific and generic goals associated with each predefined set of process areas*".

On a standard form, CMMI defines (Chrissis, Konrad, & Shrum, 2011: pp. 41-44) **five maturity levels**: (1) *Initial*, (2) *Managed*; (3) *Defined*; (4) *Qualitatively managed*, and (5) *Optimizing*.

Table in Figure 24 provides a base characterization for each of these levels.

Maturity Level	Main characterization
1 - Initial	• Processes are usually ad hoc and chaotic. • The organization usually does not provide a stable environment to Support processes. • Success in these organizations depends on the competence and heroics of the people in the organization and not on the use of proven processes. • In spite of this chaos, maturity level 1 organizations often produce products and services that work, but they frequently exceed the budget and schedule documented in their plans. • Maturity level 1 organizations are characterized by a tendency to overcommit, abandon their processes in a time of crisis, and be unable to repeat their successes.
2 - Managed	• Projects have ensured that processes are planned and executed in accordance with policy. • The projects employ skilled people who have adequate resources to produce controlled outputs; involve relevant stakeholders; are monitored, controlled, and reviewed; and are evaluated for adherence to their process descriptions. • The process discipline reflected by maturity level 2 helps to ensure that existing practices are retained during times of stress. • When these practices are in place, projects are performed and managed according to their documented plans. • Also at maturity level 2, the status of the work products are visible to management at defined points (e.g., at major milestones, at the completion of major tasks). • Commitments are established among relevant stakeholders and are revised as needed. • Work products are appropriately controlled. • The work products and services satisfy their specified process descriptions, standards, and procedures.
3 - Defined	• Processes are well characterized and understood, and are described in standards, procedures, tools, and methods. • The organization's set of standard processes, which is the basis for maturity level 3, is established and improved over time. • These standard processes are used to establish consistency across the organization. • Projects establish their defined processes by tailoring the organization's set of standard processes according to tailoring guidelines. • A critical distinction between maturity levels 2 and 3 is the scope of standards, process descriptions, and procedures. At maturity level 2, the standards, process descriptions, and procedures can be quite different in each specific instance of the process (e.g., on a particular project). At maturity level 3, the standards, process descriptions, and procedures for a project are tailored from the organization's set of standard processes to suit a particular project or organizational unit and therefore are more consistent except for the differences allowed by the tailoring guidelines. • Another critical distinction is that at maturity level 3, processes are typically described more rigorously than at maturity level 2. A defined process clearly states the purpose, inputs, entry criteria, activities, roles, measures, verification steps, outputs, and exit criteria. At maturity level 3, processes are managed more proactively using an

Maturity Level	Main characterization
	• understanding of the interrelationships of process activities and detailed measures of the process, its work products, and its services. • At maturity level 3, the organization further improves its processes that are related to the maturity level 2 process areas. • Generic practices associated with generic goal 3 that were not addressed at maturity level 2 are applied to achieve maturity level 3.
4 – Qualitatively managed	• The organization and projects establish quantitative objectives for quality and process performance and use them as criteria in managing projects. • Quantitative objectives are based on the needs of the customer, end users, organization, and process implementers. • Quality and process performance is understood in statistical terms and is managed throughout the life of projects. • For selected subprocesses, specific measures of process performance are collected and statistically analyzed. • When selecting subprocesses for analyses, it is critical to understand the relationships between different subprocesses and their impact on achieving the objectives for quality and process performance. • Such an approach helps to ensure that subprocess monitoring using statistical and other quantitative techniques is applied to where it has the most overall value to the business. • Process performance baselines and models can be used to help set quality and process performance objectives that help achieve business objectives. • A critical distinction between maturity levels 3 and 4 is the predictability of process performance. • At maturity level 4, the performance of projects and selected subprocesses is controlled using statistical and other quantitative techniques, and predictions are based, in part, on a statistical analysis of fine-grained process data.
5 - Optimizing	• The organization continually improves its processes based on a quantitative understanding of its business objectives and performance needs. • The organization uses a quantitative approach to understand the variation inherent in the process and the causes of process outcomes. • Maturity level 5 focuses on continually improving process performance through incremental and innovative process and technological improvements. • The organization's quality and process performance objectives are established, continually revised to reflect changing business objectives and organizational performance, and used as criteria in managing process improvement. • The effects of deployed process improvements are measured using statistical and other quantitative techniques and compared to quality and process performance objectives. • The project's defined processes, the organization's set of standard processes, and supporting technology are targets of measurable improvement activities. • A critical distinction between maturity levels 4 and 5 is the focus on managing and improving organizational performance. • At maturity level 4, the organization and projects focus on understanding and controlling performance at the subprocess level and using the results to manage projects. • At maturity level 5, the organization is concerned with overall organizational performance using data collected from multiple projects. • Analysis of the data identifies shortfalls or gaps in performance. • These gaps are used to drive organizational process improvement that generates measurable improvement in performance.

Figure 24 - CMMI – Basic characterizations of maturity levels
Source: Chrissis, Konrad, & Shrum (2011).

The progression along these levels corresponds to an increased degree of exigency for the applied practices; by adding new requirements to the goals and practices of the previous levels, as well as introducing new process areas. Table in Figure 25 depicts the process characteristics and the new process areas which are, cumulatively, introduced by each upper maturity level.

Level	Process Characteristics	Process Areas	
5. Optimizing	Focus is on quantitative continuous process improvement	Causal Analysis and Resolution Organizational Innovation and Deployment	
4, Quantitatively Managed	Process is measured and controlled	Quantitative Project Management Organizational Process Performance	
3. Defined	Process is characterized for the organization and is proactive	Requirements Development Technical Solution Product Integration Verification Validation Decision Analysis & Resolution	Organizational Process Focus Organization Process Definition Organization Training Integrated Project Management Risk Management
2. Managed	Process is characterized for projects and is often reactive	Requirements Management Project Planning Project Monitoring and Control Supplier Agreement Management	Product and Process Quality Assurance Configuration Management Measurement & Analysis
1. Initial	Process is unpredictable, poorly controlled, and reactive		

Figure 25 – CMMI for Development – Maturity levels and associated Process areas (cumulative)
Source: Kasse (2008: p. 21).

As it can be observed, the staged "*CMMI for Development*" representation considers, for *maturity level 2*, seven main **process areas**:

> *"Requirements management; project planning; project monitoring and control; supplier agreement management; measurement and analysis; process and product quality assurance; and configuration management".*

Essentially, they focus on project management and associated areas, as an initial basis to, along further levels, promote the *institutionalization* of best practices.

So, adoption of *project management* best practices (e.g., as prescribed in PMI, 2013) should be considered as an important referential when facing software improvement activities addressing this level of maturity.

Also, the *implementation of a flexible and extensible project management tool,* covering most of these practice areas with the necessary process and data, is essential to sustain a controlled environment; facilitating the future progression to upper maturity levels.

3.2.6 Organizational Communication

Organizational communication plays a central role on organization development and change.

This is vastly evidenced by OD & Change literature, as well as, by Communication scholarship. In fact, this is quite evident; not only to those formal processes which are performed by specific *organizational communication units*; but mainly to those associated with *daily working structures and processes*. Leadership, work group, teams, and organizational change processes are some of the most relevant.

They have been deeply explored along this literature review. So, just a few more references are considered here; either to enhance some important tendencies on organizational communication research; or to enforce its relevance to organizational change processes.

Krone, Kramer, & Sias (2010) refer that:

"*although it began to emerge as an identifiable academic field around a set of practical questions concerning what makes managerial communication in organizations effective*", it has expanded to "*address the effects of small group networks, superior-subordinate communication, and communication climate on employee satisfaction and performance*".

According to the author, it has, since then, grown to include:

"*A concern for non-managerial voices, the technical rationality that underlies most organizational decision making, understanding the very nature of 'organization', and the role of organizations in democratic societies*".

Jones et al. (2004) emphasize, as research challenges, the need to "*move from micro-level interpersonal issues to more macro-level ones*", "*understand the communication of organizational change*", and "*explore diversity and the intergroup aspects of communication*".

Eisenberg & Riley (2001:293), considering the *relevance of Organizational Culture for Communication studies*, highlight the "*constitutive role of communication in creating organizational culture*" and refer that "*from the early 1980s forward, communication processes were recast as the way organizations were constructed, maintained, and transformed*".

Concerning *participative processes*, Seibold & Shea (2001:665) underline the role of communication as "*an integral part*" of them; asserting that "*communication may moderate the effects of various types of participation or involvement programs*".

Kotter & Schlesinger (1979) explicitly refer *communication, participation, and facilitation* as key strategic drivers to "*positively influence specific individuals and groups during a change process*".

Meister (1998) highlighting the role of corporate universities on the development of *"core workplace competencies"* includes *communication and collaboration* as some of the most relevant.

These main references, emerging from distinct areas of knowledge, confirm that organizational communication is a powerful, and necessary, instrument to support and develop all the activity within the organization; linking together individuals, groups, and work teams; not only providing information about the company and its work processes, but mainly facilitating the creation of the necessary dynamics to support innovation, training, development, learning, and organizational transformation initiatives and programs.

3.2.7 Quality and Organizational Excellence

Considering that the organizational transformation set of interventions which has been developed aim to produce a significant and holistic organization development impulse targeting further incursions on organizational excellence; thus preparing the organization, the groups, and individuals to face global change challenges (on a 1st strategy definition cycle), and engaging work teams on specific strategic improvement initiatives (on a 2nd strategy implementation cycle); it is important to approach the subject of Quality and Organizational Excellence on its most relevant aspects. In fact, the current organizational transformation must be considered as an important intermediate step on the route to Organizational Excellence, here addressed.

This includes an *historical perspective;* some essential *foundational visions* of modern quality and *its dimensions*; the holistic view of quality integrated in *organizational excellence models*; and, the *roles of leadership, people management, and employee participation* within the process.

3.2.7.1   A brief historical overview: from craftsmanship to organizational excellence

Quality – as a field for research and practice – has significantly evolved along time; on visions, concepts, processes, practices, and tools; due to a *synergistic improvement helix*, resulting from *practitioners' needs* and improvement efforts, allied with *academic researchers'* support and knowledge contributes.

Often, within this area, both roles have been performed by the same actors (e.g., Deming, Juran, Crosby, Ishikawa, Tagushi, and Feigenbaum), aggregated in specialized consulting firms, normative agencies, and professional associations.

In fact, Quality has emerged from practice and from the need to introduce rigor within relevant practices. Since the middle age, the concept of quality has emerged – within craftsmanship, with simple product requirements, professionalism (learning, seniority, and hierarchies), and professional associations (guilds) – on the basis of skills, processes, and product control. It was then a matter of professional survival and affirmation; often on an individual basis, and competing on local markets, with minimal products' quality basis. These "quality roots" evolved – on a continuous improvement

cycling paradigm – creating, progressively, some structures and informal standards; without significant disruptions, and according to evolutionary needs.

At the beginning of the last century, theoretical streams of thought associated with industrial work organization – such as Scientific Management (Taylor, 1911), General Theory of Business Administration (Fayol, 1916), and Theory of Bureaucracy (Weber, 1947) – have developed new paradigmatic visions over the productive process, its planning, and organization. They have triggered process-centred approaches to quality; including inspective and quality assurance activities supported by quality control departments; in order to guarantee the needs of large consumer markets, through mass production and minimal defect products.

During World War II the need for statistical process control; as well as the imposition of standards (in order to control productive steps and cycles, and adequate input supplies); has conducted to more formalized quality structures; covering quality professional's development, quality research, key publications, and professional body associations.

After the war, Juran and Deming, intervening in Japan's reconstruction efforts, have developed new strong quality theories, approaches, and techniques, and started focusing on top management awareness and training on quality. These new emerging visions have been more welcome in Japan, rather than in the United States and Western Europe. In 1951 the Union of Japanese Scientists and Engineers (JUSE) creates the Deming Prize for quality. During two decades Japanese products (although considered as inferior products) have been accepted by its quality standards ("made in Japan" label) and low-price across the American market.

Along the decade of 70 – due to a rising on product quality in the north-American market – the consumer increased its preferences and attention to high-quality products.

On the next decade, publications like *Consumer Reports* appear in the market; supporting product benchmark and evaluation; introducing the usability concept dimension.

The focus shifts from supplier and production to consumer.

Governmental institutions develop normalization processes; and the *media* support the diffusion of a new quality movement.

Total Quality Management movement progressed, and, in 1987, an American Congress act institutes the *Malcolm Baldrige National Quality Award*.

One year later the European Foundation for Quality Management (EFQM) is created, and, in 1991, the European Commission instituted the *European Quality Award*.

These new prize approaches have enlarged the traditional product-process-service Quality concept along several dimensions; towards an effective Organizational Excellence holistic view.

3.2.7.2   Foundational visions of quality: Deming, Juran, and Crosby

Along these years, the pioneers – contributing with new philosophies, dimensions, discoveries, paradigms, and approaches – had specific faces: including, as more determinants on opening new horizons, the names of Deming, Juran, and Crosby.

Deming, with its theory and action – initially more focused on product / service improvement, and associated with statistical process control – denotes, on an industrial era, an organizational management and excellence vision; which largely transcends the "machine" paradigm of the organization.

His *14 Points on TQM* (*Deming, 1986, revised in 1990*) are a good example of his visionary concept of quality. In fact, these principles denote a wise dissociation from the traditional mecanicist approach to quality; putting the focus on strategic management and organization development topics, rather than just on technical issues.

Another prominent author was *Joseph Juran* which, with its innovative *"trilogy" (1986)*, approached, on a cross-functional management perspective, the planning, control, and improvement processes of quality. For each of these processes he has developed a set of "universal steps".

Like Deming, Juran advocated regular cycles of continuous improvement; focusing not only on customers, but also in all resources involved along the internal supply chain.

Another remarkable quality innovator (considered as the author of the "zero defects" expression) was *Crosby*; well known by his major references: the "***Crosby's Absolutes of Quality Management***" (referred in Crosby, 2005), the "***Basic Elements of Improvement***" (referred in Crosby, 2005), and the "***Crosby's Vaccine***" (Crosby, 1984, pp. 8-9).

Within the *Absolutes of Quality Management* he refers, in strong assertive terms, that:

> *"(1) quality means conformance to requirements, not elegance, (2) there is no such thing as a quality problem, (3) there is no such thing as the economics of quality; doing the job right the first time is always cheaper, (4) the only performance measurement is the cost of quality, which is the expense of non-conformance, and (5) the only performance standard is "Zero Defects".*

In the *14 steps to Quality Improvement* he includes very specific prescriptions to organizational managers; under the explicit form of "action" and "accomplishment".

The *Crosby's Vaccine* is a set of top-management recommendations, on five essential areas – under an explicit form of a Total Quality Management commitment from all the people within the organization – covering all principles, roles and responsibilities on Integrity, Systems, Communication, Operations, and Policies.

According to ***Evans & Lindsay (2002)***, "*despite the fact that they have different approaches on implementing organizational change, the philosophies of Deming, Juran, and Crosby are more alike than different*". They refer (p. 107), as common points, that all of them:

> • *"view quality as imperative in the future competitiveness in global markets;*
> • *make top management commitment an absolute necessity;*
> • *demonstrate that quality management practices will save, not cost money;*
> • *place responsibility for quality on management, not the workers;*
> • *stress the need for continuous, never-ending improvement;*
> • *acknowledge the importance of the customer, and strong management-worker partnerships;*
> • *recognize the need for, and difficulties associated with, changing the organizational culture".*

Lau & Anderson (1998) systematize the essence of these aspects – on a **Total Quality Management** (TQM) perspective – along three distinct *dimensions* (which must be managed together), namely:

- *"**Total** dimension:*
  - *Requires the participation of all employees and teamwork;*
  - *All of them must develop a sense of quality ownership;*
  - *All organizational levels and functions must be involved, applying systemic thinking;*

- ***Quality** dimension:*
  - *Driven by value to customer (internal and external);*
  - *Emphasizing continuous improvement;*
  - *Addressing technical issues – skill and knowledge oriented training;*
  - *Addressing human issues – innovation incentives;*

- ***Management** dimension:*
  - *Requiring top-management commitment;*
  - *Establishment of organizational sense and values;*
  - *Having Leadership as a critical factor;*
  - *Doing the appropriate change on organizational culture, values, communication, and information systems".*

3.2.7.3 Quality Dimensional Visions: product, process, customer, culture

As evidenced by these main streams of thought (and as historical evolution milestones denote) *there has been a cumulative progression on the main visions and concept of Quality.*

They can be classified through the following integrative **staged categorization**:

1. **Product orientation***: strongly connoted with the concept of quality control and, in earlier stages, with the process of inspection; focusing on verifying product conformity with its specifications; in order to minimize defects, rejections, and rework activities;

2. ***Production Process orientation****:* targeting the creation of preventive quality assurance processes; introducing quality systems and norms; and regulating the execution of all the process and product activities necessary to ensure full compliance with conformity and security requirements;

3. ***Customer orientation****:* integrating into the former perspectives (product-process) the customer and employee dimensions; in order to guarantee and manage quality across of all areas of activity; producing, without defects, usage adequate products; satisfying internal and external customers; exceeding their expectations; engaging all managers and employees; at a minimal cost;

4. ***Culture and Organizational Excellence orientation****:* considering total quality management as a path to organizational effectiveness; thus intervening not only on product, process, customer, and results dimensions, but, mainly, on mobilizing all the organization and transforming the culture to respond to organizational excellence challenges; thus assimilating and evidencing continuous improvement, organizational learning, innovation, stakeholders' management, and sustainability attitudes across all organizational principles and practices.

This last vision (integrating into the traditional "*hard*" technical and management view of quality, all the necessary "*soft*" dimensions of organizational life) is, undoubtedly, the one that aligns with the targeted stage for quality promotion: through a holistic, systemic organization development and change strategy, encompassing culture, values, people, and process, together, on the path to organizational effectiveness.

3.2.7.4   Main Models associated to Organizational Excellence

As already focused, since 1951 that Organizational Excellence regional awards have been institutionalized, in order to incentive and recognize best practices related to Total Quality Management (JUSE, 2013; NIST, 2013; EFQM-A, 2013).

As the most significant ones, three ***major awards*** must be quoted:

- Deming Prize, from Japan;
- Malcolm Baldrige National Quality Award, from USA and
- European Foundation for Quality Management Award, from Europe.

All of them envision a total, holistic, approach to Quality as a path to organizational effectiveness; promoting dynamic change initiatives, within a large spectrum of areas; and being evaluated according to high-standards' criteria.

3.2.7.4.1 Deming Prize

Created in 1951 (as a tribute to Deming for his contribution to quality development in Japan) this award, although not having an explicit formal model, integrates within its evaluation criteria (JUSE, 2013) a set of essential points along a comprehensive group of basic categories (figure 26), including:

- *"Management policies and their deployment regarding quality management;*
- *New product development and/or work process innovation;*
- *Maintenance and improvement of product and operational qualities;*
- *Establishment of systems for managing quality, quantity, delivery, costs, safety, environment;*
- *Collection and analysis of quality information and utilization of information technology and*
- *Human resources development".*
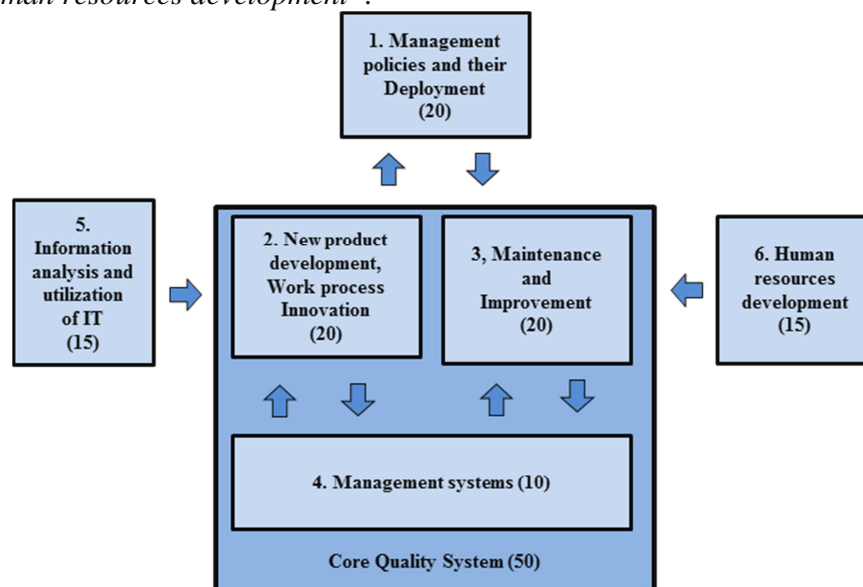
Figure 26 - Deming Prize: Relationships within basic categories and points
Source: JUSE, 2013.

3.2.7.4.2 Malcolm Baldrige National Quality Award

This award, created in 1985, is considered the major independent prize reference for total quality management evaluation applied on the Northern and Central America

continent. It is managed (as an USA national cooperation program) by a partnership between governmental and private sector entities, and involving together the National Institute of Standards and Technology (NIST), the American Society for Quality (ASQ), having a proper Board of Examiners (NIST, 2013).

It is based on an underlying model aggregating the *criteria* for performance excellence, (figure 27) and set of *core values and concepts* (figure 28).
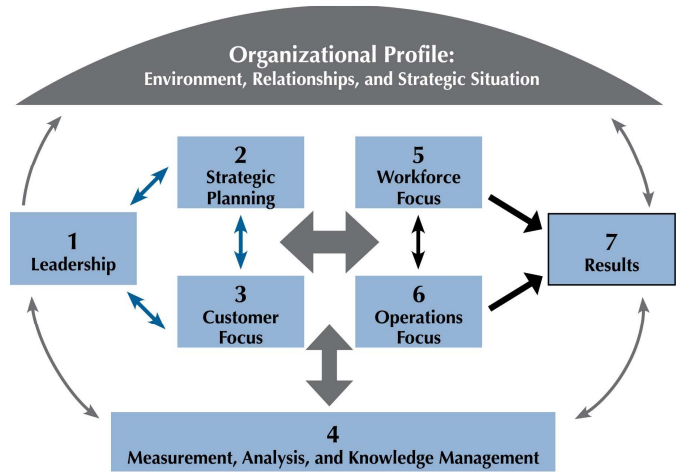
Figure 27 - *Malcolm Baldrige National Quality Award:* Criteria for performance excellence
Source: NIST, 2013.
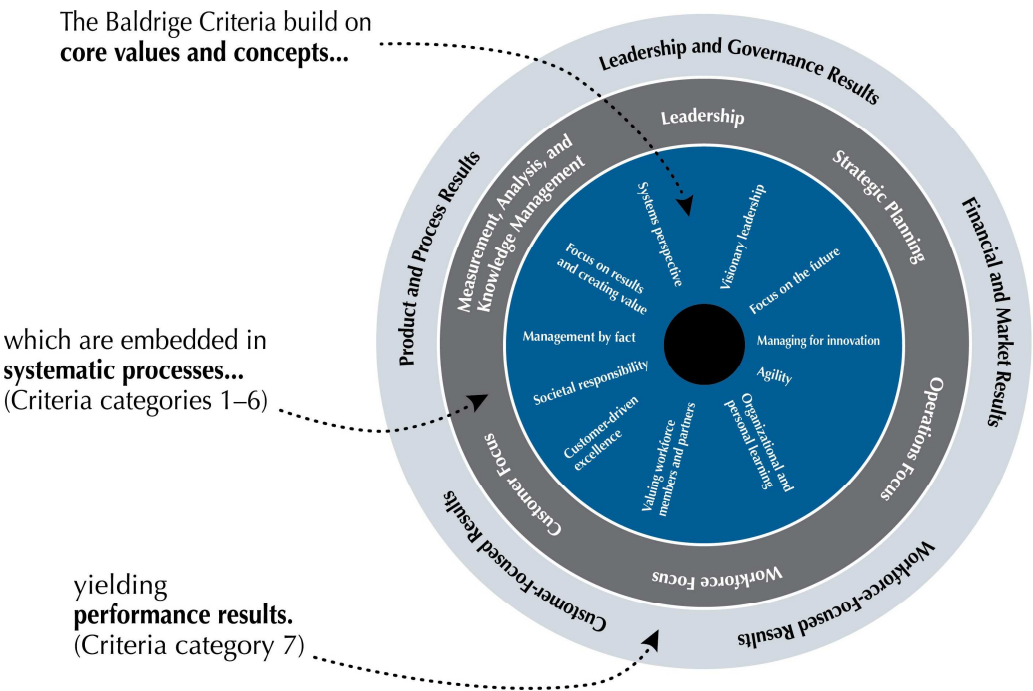
Figure 28 - *Malcolm Baldrige National Quality Award:* Core values and concepts
Source: NIST, 2013.

The *evaluation criterion aggregates* seven *major categories* of requirements and associated questions, namely:

- *"Leadership* – how senior leaders' personal actions and governance systems guide and sustain the organization, including key aspects of senior leaders' responsibilities, with the aim of creating a sustainable organization, and key aspects of organizational governance system, including the improvement of leadership. It also asks how the organization ensures that everyone behaves legally and ethically, how it fulfils its societal responsibilities, and how it supports its key communities;

- *Strategic Planning* – how the organization develops strategic objectives and action plans, implements them, changes them if circumstances require, and measures progress;

- *Customer Focus* – how the organization engages its customers for long-term marketplace success, including how it listens to the voice of the customer, builds customer relationships, and uses customer information to improve and to identify opportunities for innovation;

- *Measurement, Analysis, and Knowledge Management* – being the "brain centre" for the alignment of organizational operations with strategic objectives, asking how the organization (1) selects and uses data and information for performance measurement, analysis, and review in support of organizational planning and performance improvement, and (2) builds and manages its knowledge assets and ensures the quality and availability of data, information, software, and hardware, in order to improve organizational efficiency and effectiveness, and stimulate innovation;

- *Workforce Focus* – how the organization addresses key workforce practices, (1) creating and maintaining a high-performance work environment (asks about organization's workforce capability and capacity needs, how it meets those needs to accomplish organizational work, and how it ensures a supportive work climate), and (2) engaging workforce to enable it and the organization to adapt to change and to succeed (asks about organization systems for managing workforce performance and developing workforce members to enable and encourage all workforce members to contribute effectively and to the best of their ability, intending to foster high

performance, to address core competencies, and to help accomplish action plans and ensure organizational sustainability);

- *Operations Focus – how the organization focuses on its work, product design and delivery, and operational effectiveness to achieve success and organizational sustainability, including (1) Work Processes (management of key products and work processes, with the aim of creating value for customers and achieving organizational success and sustainability), and (2) Operational Effectiveness (ensure effective operations in order to have a safe workplace environment and deliver customer value, managing the supply chain effectively and innovating for the future);*

- *Results – providing a systems focus that encompasses all results necessary to sustaining an enterprise:*

  - *key process and product results – the organizational key product and operational performance results, which demonstrate product and service quality and value that lead to customer satisfaction and engagement,*

  - *customer-focused results – the organizational customer-focused performance results, which demonstrate how well the organization has been satisfying your customers and engaging them in loyalty-building relationships,*

  - *workforce results – the organization's workforce-focused performance results, which demonstrate how well the organization has been creating and maintaining a productive, caring, engaging, and learning environment for all members of the workforce,*

  - *leadership and governance system results – the key results in the areas of senior leadership and governance, which demonstrate the extent to which the organization is fiscally sound, ethical, and socially responsible,*

  - *overall financial and market performance – the key financial and market results, which demonstrate financial sustainability and marketplace achievements."*

3.2.7.5   The EFQM Organizational Excellence Model

In 1991, the European Foundation for Quality Management (EFQM) has developed an Excellence Model to be used as a guide on the development and implementation of Total Quality Management practices within Organizations.

Initially designed to support organizational efforts on TQM adoption in a non-prescriptive form, the model quickly has become either as a *self-assessment tool*, as well as, a *competitive award* reference criterion.

It is based on a set of **fundamental concepts** – guiding the "*foundation for achieving sustainable excellence in any organization*" – which "*can be used as the basis to describe the attributes of an excellent organizational culture*" (EFQM-A, 2013).

On its approach to organizational excellence, it promotes a self-evaluation and improvement methodology; based on specific **evaluation criteria** and on developmental cycles, and supported by a ***"results-approach-deployment-assessment-refinement" tool (RADAR)***, which works as a "*dynamic assessment framework and powerful management tool that provides a structured approach to questioning the performance of an organisation*".

Associated with the Model – which integrates these three main dimensions – there is a **recognition system** which establishes excellence levels and awards.

3.2.7.5.1 The Fundamental Concepts associated to Excellence

In its last version (EFQM-A, 2013) the Model has eight **Fundamental Concepts** (figure 29), as follows, defining Excellent Organizations:

- "**Adding Value for Customers** – *consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities;*
- **Creating a Sustainable Future** – *have a positive impact on the world around them by enhancing their performance whilst simultaneously advancing the economic, environmental and social conditions within the communities they touch;*
- **Developing Organisational Capability** – *enhance their capabilities by effectively managing change within and beyond the organisational boundaries;*
- **Harnessing Creativity & Innovation** – *generate increased value and levels of performance through continual improvement and systematic innovation by harnessing the creativity of their stakeholders;*
- **Leading with Vision, Inspiration & Integrity** – *have leaders who shape the future and make it happen, acting as role models for its values and ethics;*

- *Managing with Agility – are widely recognised for their ability to identify and respond effectively and efficiently to opportunities and threats;*
- *Succeeding through the Talent of People – value their people and create a culture of empowerment for the achievement of both organisational and personal goals;*
- *Sustaining Outstanding Results – achieve sustained outstanding results that meet both the short and long term needs of all their stakeholders, within the context of their operating environment".*
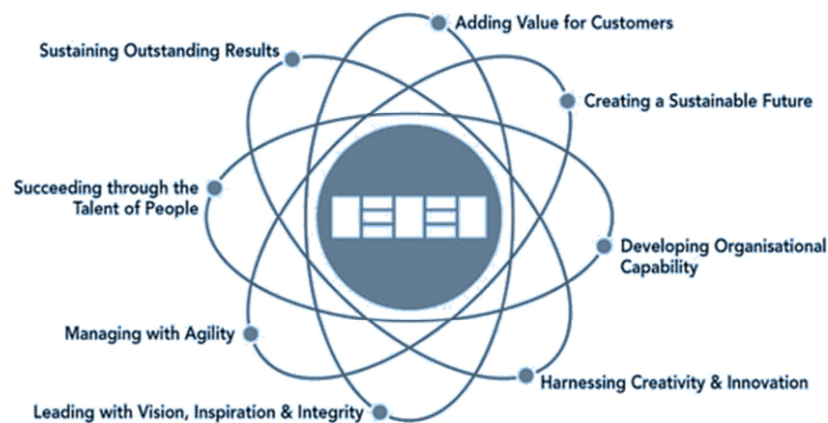
Figure 29 – EFQM Model 2013: Fundamental Concepts
Source: EFQM-A, 2013.

3.2.7.5.2 A Global view of the Evaluation Areas and criteria

As a non-prescriptive model – recognizing the existence of several possible approaches to quality – the Model considers a set of nine *base criteria* (figure 30) *to evaluate organizational excellence*.
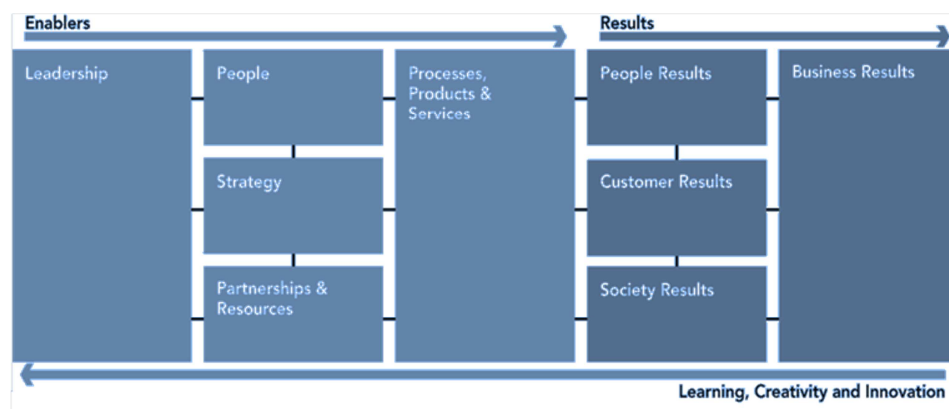
Figure 30 – EFQM Model 2013: Organizational Excellence base evaluation criteria
Source: EFQM-A, 2013.

These base criteria are grouped in two main groups: *enablers* and *results*.

Between them there is a *non-linear causal relationship*: "*an excellent performance on enabler areas acts as predictors of excellent results*".

The following table (figure 31) presents the *rationale* to consider any organization as Excellent, for each one of the *nine base evaluation criteria*.

Criteria	Excellent Organizations ...
Leadership	have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and reach in a timely manner to ensure the on-going success of the organisation.
Strategy	implement their Mission and Vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy.
People	value their people and create a culture that allows the mutually beneficial achievement of organisational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation.
Partnerships & Resources	plan and manage external partnerships, suppliers and internal resources in order to support their strategy, policies and the effective operation of processes. They ensure that they effectively manage their environmental and societal impact.
Processes, Products & Services	design, manage and improve processes, products and services to generate increasing value for customers and other stakeholders.
Customer Results	achieve and sustain outstanding results that meet or exceed the need and expectations of their customers.
People Results	achieve and sustain outstanding results that meet or exceed the need and expectations of their people.
Society Results	achieve and sustain outstanding results that meet or exceed the need and expectations of relevant stakeholders within society.
Business Results	achieve and sustain outstanding results that meet or exceed the need and expectations of their business stakeholders.

Figure 31 – EFQM Model 2013: Rationale underlying each base evaluation criteria
Source: EFQM-A, 2013.

3.2.7.5.3 The logic for incremental change (RADAR)

The **RADAR (Results, Approach, Deployment, Assessment, and Refinement) logic** allows for a systemic questioning approach to organizational improvement, following a progressive, cycling change dynamic; and establishing the main steps (figure 32) to be considered for each organizational learning and development cycle.
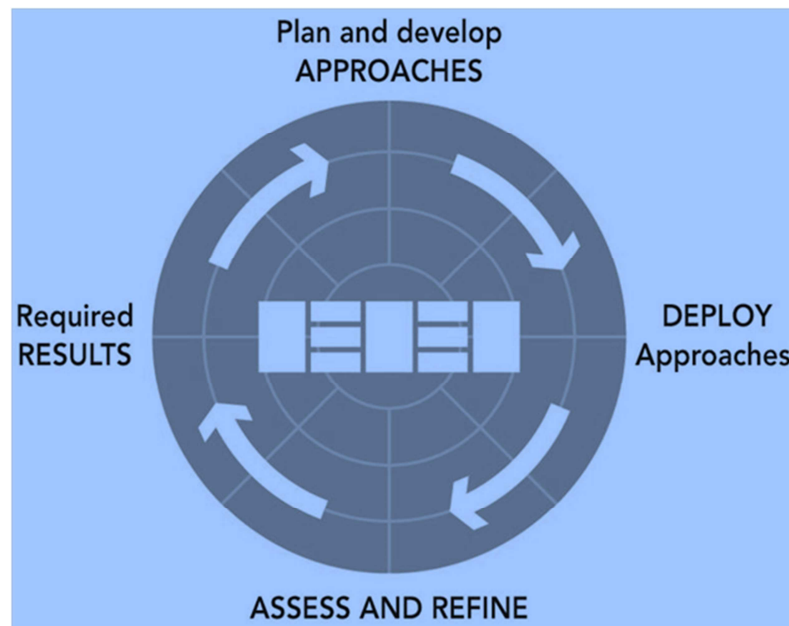
Figure 32 – EFQM Model 2013: RADAR incremental approach logic
Source: EFQM-A, 2013.

3.2.7.6 The importance of Leadership, People & Participation within the EFQM Model

As defined by the reference model (EFQM-A, 2013), excellent organizations:

- *"have **leaders** who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times, being flexible, enabling the organisation to anticipate and reach in a timely manner to ensure its on-going success";*
- *"value their **people** and create a **culture** that allows the mutually beneficial achievement of organisational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation."*

These are two main points of the rationale for "Leadership" and "People" base criteria evaluation (EFQM-B, 2013). Within the current action research program perspective, they should be subject to a more specific analysis, as they encompass two main dimensional axis of the intervention.

3.2.7.6.1 Leadership

Concerning the leadership dimension, the model explores, along its evaluation criteria, the activities and behaviours of all senior leaders of the organization; the ones that, as top-managers, in first instance determine strategies and policies; thus evaluating their determinant role on the future of the organization.

"*Leading with vision, inspiration and integrity*"; "*sustaining outstanding results*"; "*managing with agility*", and "*harnessing creativity and innovation*" are fundamental concepts guiding Leadership, where – through the specific model criteria, their functions are evaluated:

• *"Set and communicate a clear direction and strategic focus; unite people to share and achieve the organisational Mission, Vision and goals;*

• *Develop and support a shared leadership culture for the organisation and review and improve the effectiveness of personal leadership behaviours;*

• *Define and use a balanced set of results to review progress, provide a view of long and short-term priorities and manage the expectations of the key stakeholders;*

• *Deliver high levels of stakeholder confidence by adopting effective mechanisms to understand future scenarios and effectively manage strategic, operational and financial risks;*

• *Use approaches to understand, anticipate and respond to the different needs and expectations of key stakeholders;*

• *Ensure transparency of financial and non-financial reporting to relevant stakeholders, including appropriate governance bodies, in line with their expectations;*

• *Support people throughout the organisation to achieve their plans, objectives and targets;*

- *Promote a culture which supports the generation of new ideas and new ways of thinking to encourage innovation and organisational development;*

- *Effectively manage change through structured project management and focused process improvement;*

- *Use a structured approach for generating and prioritising creative ideas".*

So, any transformational change action aiming to prepare the Organization, as a whole, to escalate Organizational Excellence levels, needs (among other essential aspects) to face Leadership challenges: thus preparing the Leaders to positively influence (*latus sense*) People (together within their Teams, and crossing organizational boundaries) to reach common objectives; progressing to Organizational Effectiveness.

3.2.7.6.2 People Management

Concerning the People dimension, the "***enabler's criteria***" – pointing out to fundamental concepts, such as "*succeeding through the talent of people*", "*managing with agility*", and "*harnessing creativity & innovation*" – include, on its evaluation, critical ***organizational attributions***, including:

- *"Involve employees, and their representatives, in developing and reviewing the people strategy, policies, and plans, adopting creative and innovative approaches when appropriate;*

- *Use people surveys and other forms of employee feedback to improve people strategies, policies, and plans;*

- *Appraise and help people improve their performance and engagement;*

- *Ensure their people have the necessary competencies, resources and opportunity to be able to maximise their contribution;*

- *Align personal and team objectives, and empower people to realise their full potential in a spirit of true partnership;*

- *Create a culture of creativity and innovation across the organisation, ensuring people have an open mind-set and can respond quickly to challenges they face;*

- *Understand the communication needs of people, and use appropriate strategies and tools to maintain a dialogue;*

- *Enable and encourage the sharing of information, knowledge and best practices, achieving a dialogue throughout the organisation;*
- *Align remuneration, benefits, and terms of employment with transparent strategies and policies;*
- *Respect and embrace the diversity of people, and the communities and markets that the organisation serves".*

Once again, developing People and Teams, promoting an Organizational Culture which facilitates Quality, and aligning it with an Organizational Strategy, are main base "ingredients" to target Organizational Excellence as a way to reach Organizational Effectiveness.

According to the Model, the ***results criteria*** associated to this area of People Management focus, mainly, on identifying tendencies and evaluating employees' satisfaction levels; either through their perceptions (e.g., obtained through employee surveys or focus groups), or as specific outcomes of internal actions targeting the prediction and / or increment of satisfaction.

Here, measurements must be understood, not by itself as an end, but mainly as an instrument to evaluate the results of actions, and to facilitate and define new course of actions; thus implementing a "*Learning, Creativity, and Innovation*" positive loop towards Organizational Excellence.

3.2.7.6.3 The importance of self-assessment for organizational improvement

As previously mentioned, ***self-assessment is a main strategic process*** advocated by EFQM, which can be used (by comparing, on a systematic basis, real organizational situation with the criteria of the model) ***to improve organizational effectiveness***; promoting an objective identification of strong supporting points and opportunities for improvement, and associated actions and plans.

This meticulous and systemic approach – contrasting the criteria of the model (EFQM-C, 2013) against the real organizational situation – has, according to ***EFQM***, the following main ***benefits***:

- *"Providing a highly structured, fact-based technique to identify and assess organisational Strengths and Areas for Improvement, and measuring its progress periodically;*

- *Improving the development of strategy and business plan;*
- *Creating a common language and conceptual framework for the way organization is managed and improved;*
- *Educating people within the organisation on the Fundamental Concepts of Excellence and how they relate to their responsibilities, and developing the management skills of staff;*
- *Involving people at all levels and in all units in process improvement;*
- *Assessing, in a coherent manner, the organisation at a macro and/or micro level;*
- *Identifying and facilitating the sharing of "good practice" within the organisation;*
- *Facilitating comparisons with other organisations, of a similar or diverse nature, using a set of criteria that is widely accepted across Europe and beyond;*
- *Integrating the various improvement initiatives into normal operations;*
- *Providing opportunities to recognise both progress and outstanding levels of achievement through internal awards;*
- *Preparing the organisation before it applies for the EFQM Excellence Award or a national or regional award of a similar nature".*

Beside the multiple advantages herein pointed out to the self-assessment approach, the process itself is a strong inductor of organizational learning and development (mainly through employee participation); creating an engagement climate; and applying it to real organizational situations.

However, *Conti (1997)* refers that there are two main *differentiated self-assessment approaches to Total Quality Management*:

- *Award-like* self-assessment – more focused on excellence levels *evaluation* and, often, associated to organizational excellence *recognition awards*;
- *Diagnostic* self-assessment – mainly oriented to *diagnosis* and *improvement* objectives.

According to this author, this second kind of approach, by definition, assumes only the form of an internal evaluation serving organizational diagnostic needs; while the first one consists mainly on an external evaluation conducted by a certified evaluator, and a self-audit lead by management.

The following table (figure 33) evidences, on the vision of the author, the main differentiators between these two approaches.

Award-like self-assessment	*Diagnostic self-assessment*
Standard model	Customized model
Audit type, *left-right* assessment process (from causes to effects)	Diagnostic type, *right-left* assessment process (from effect to causes)
Scoring capability high	Diagnostic capability high
Participation often limited to managers and experts	Broad participation
Award assessment guide: non prescriptive	Self-assessment guide: somewhat prescriptive
Outcome of award-inspired self-assessment: application report, usually aimed at highlighting points of strength	Outcome of diagnostic self-assessment: diagnostic report, aiming at identifying weak spots that prevent full meeting of organizational goals. Input to improvement plan

Figure 33 – Conti's contrast on Self-evaluation approaches: Award-like **versus** de Diagnostic
Source: Conti, 1997.

However, besides there is a quite differentiation in their objectives, process, involvement, and results, these two approaches are not antagonist.

They can be combined at distinct stages of the path to excellence: primarily by a participative diagnostic approach conducting to an improvement plan development (effects, causes, solutions, plan); and, after the implementation of improvement actions, being followed by an award-like self-assessment (against the criteria of the model and producing a submission report).

3.3   ORGANIZATION DEVELOPMENT AND PLANNED CHANGE

Within the previous sections main relevant knowledge has been explored concerning the explicitation of our Strategic Positioning, as well as covering the most important aspects which emerged from a literature review concerning the Domains of Intervention. We have covered the main material disciplines, on the areas of Organizational Culture and Values, Leadership and Team Effectiveness, Values and Employee Engagement, Support Structures for Workforce

Development, Process Improvement and Implementation of Tools, Organizational Communication, and Quality and Organizational Excellence.

However, besides covering specific knowledge on change targets' disciplines, adequate relevance must be also given to essential aspects of Organization Development and Change; thus covering the transformational change itself.

This is the objective of the current section: to highlight essential aspects associated with Organizational Development and Change; the Human factor within change contexts; some Theoretical Foundations and Paradigms of Organizational Change; and, not less important, some known important aspects related with its Dynamics, Approaches and Processes.

3.3.1 Organization Development – definition and approaches

Along many years of research and practice the *concept of Organization Development (OD)* has been, progressively, viewed and defined, with *differentiated emphasis* to:

1. culture as the target of change (Burke, 1982),
2. long term action interest and usage of consultants (French, 1969),
3. the OD process itself (Beckard, 1969; Beer,1980),
4. the relevance of top-management role (French & Bell, 1999),
5. the relevance of significant change, learning and improvement dimensions (Worley & Feyerherm, 2003), and
6. the relevance of values, behavioural approach, and systemic vision (Burke & Bradford, 2005).

Burke (1982) defines OD as

> "*a planned process of change in an organizational culture through the utilization of behavioural science technology, research, and theory*",

while *French (1969)* relates OD with

> "*a long rang-range effort to improve organizational problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioural-scientist consultants, or change agents, as they are sometimes called*".

Beckhard's (1969) definition for OD considers it as

> "*an effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organization effectiveness and health through (5) planned interventions in the organizational 'processes', using behavioural science knowledge*".

Beer (1980) defines OD as

> "*a system wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) enhancing congruence among organizational structure, process, strategy, people, and culture; (2) developing new and creative organizational solutions, and (3) developing the organization's self-renewing capacity*" – occurring through the "*collaboration of organizational members working with a change agent using behavioural science theory, research, and technology*".

French & Bell (1999), introducing the central role of top management and the need for the development of specific organizational capabilities, define (pp. 25-26) Organization Development as

> "*A long-term effort led and supported by top management, to improve organizational visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organizational culture – with special emphasis on the culture of intact work teams and other team configurations – utilizing the consultant-facilitator role and the theory and technology of applied behavioural science, including action research*".

More recently, ***Burke & Bradford (2005)*** extend these definitions considering that OD is

> "*A system-wide process of planned change based on (1) a set of values, largely humanistic, (2) on the application of the behavioural sciences, and (3) on open systems theory*".

Egan (2002) – based on a review of 27 most prominent literature references published from 1969 until 2002 – has reported, either a ***multiplicity of OD definitions*** (figure 34) with no global consensus, as well as a multiplicity of the associated outcomes (dependent variables); which he categorized, with the support of seven OD experts, into ten main categories.

Source	Definition
Beckhard (1969)	"An effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) *increase organization effectiveness and health* through (5) planned interventions in the organization's 'processes', using behavioural science knowledge"
Bennis (1969)	"A response to change, a complex educational strategy intended to *change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges and the dizzying rate of change* itself".
Blake & Mouton (1969)	"Emphasizes the 'O' in every sense of the word. It means *development of the entire organization* or self-sustaining parts of an organization from top to bottom and throughout. True OD is theory based, team focused and undertaken by means of self-help approaches which place a maximum reliance upon internal skills and leadership for *development activities*. It is top lead, line managed and staff supported. *Development activities focus on* the 'system', those traditions, precedents, and past practices which have become the culture of the organization. Therefore, *development must include individual, team and other organization units* rather than concentrating on any one to the exclusion of others. OD is thus this comprehensive approach which integrates the management sciences, business logic, and behavioural systems of an organization into an organic, interdependent whole".
French (1969)	"Refers to a *long-range effort to improve and organization's problem-solving capabilities and its ability to cope with changes in its external environment* with the help of external or internal behavioural-scientists, consultants, or change agents, as they are sometimes called.
Golembiewski (1969)	"Implies a normative, re-education strategy intended to affect systems of beliefs, values and attitudes within the organization so that it can *adapt better to the accelerated rate of change in technology, in our industrial environment and society in general*. It also includes formal organizational restructuring which is frequently initiated, facilitated and reinforced by the normative and behavioural changes".
Lippit (1969)	"The *strengthening of those human processes in organizations which improve the functioning of the organic systems so as to achieve its objectives*. *Organization renewal* is the process of initiating, creating, and confronting needed changes so as to make it possible for organizations to *become or remain viable, to adapt to new conditions, to solve problems, to learn from experiences, and to move toward greater organizational maturity*".
Schmuck and Miles (1971)	"A *planned and sustained effort to apply behavioural science for system improvement*, using reflexive, self-analytic methods".
Burke & Hornstein (1972)	"A process of planned change – change of an organization's culture *from one which avoids an examination of social process (especially decision making, planning, and communication) to one which institutionalizes and legitimizes this examination*".
Hall (1977)	"A *long-range effort to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment* with the help of external or internal behaviour-scientists, consultants, or change agents".
French & Bell (1978)	"A *long-range effort to improve an organization's problem-solving and renewal processes*, particularly through a more effective and collaborative management of organizational culture – with special emphasis on the culture of formal work teams – with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioural science, including action research.

Source	Definition
Beer (1980)	"A system wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) *enhancing congruence among organizational structure, process, strategy, people, and culture*; (2) developing *new and creative organizational solu*tions, and (3) *developing the organization's self-renewing capacity*" – occurring through the "collaboration of organizational members working with a change agent using behavioural science theory, research, and technology". "A *process for diagnosing organizational problems* by looking for incongruence between environment, structures, processes and people".
Burke (1982, 1994)	"A *planned process of change in an organization's culture* through the utilization of behavioural science technology, research, and theory", while French (1969) relates OD with "a long rang-range effort to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioural-scientist consultants, or change agents, as they are sometimes called"
Davis (1983)	"A series of theory based workshops, techniques, programs, systematic approaches and individual consulting *interventions designed to assist people in organizations in their day-to-day organizational life and the complex process this involves*. All of this is backed up with beliefs, biases, and values held by the organization development practitioner".
Nielsen (1984)	"The attempt to *influence the members of an organization to expand their candidness with each other about their views* of the organization and their experience in it, and to *take greater responsibility for their own actions as organizational members*. The assumption behind OD is that when people pursue both of these objectives simultaneously, they are likely to discover new ways of working together that they experience as more effective for *achieving their own and their shared (organizational) goals*. And that when this does not happen, such activity helps them to understand why and to make meaningful choices about what to do in light of this understanding".
Warrick (1984)	"A planned, long-range systems and primarily behavioural science strategy for *understanding, developing, and changing organizations to improve their present and future effectiveness and health*".
Burke & Schmidt (1985)	"A *process which attempts to increase organizational effectiveness* by integrating individual desires for growth and development with organizational goals. Typically, this process is planned change effort, which involves a total system over a period of time, and these change efforts are related to the organization's mission".
Beer & Walton (1987)	"Comprises a set of actions undertaken to *improve organizational effectiveness and employees' wellbeing*".
French, Bell, & Zawicki (1989)	"A *process of planned system change that attempts to make organizations better able to attain their short and long term objectives*".
Vaill (1989)	"An *organizational process for understanding and improving any and all substantive processes an organization may develop* for performing any task and pursuing any objective".
McLagan	"Assuring healthy inter- and intra-unit relationships and *helping groups initiate and manage change*. Primary emphasis on relationships and processes between and among individuals and

Source	Definition
(1989)	groups. Its primary intervention is *influence on the relationship of individuals and groups to effect and impact on the organization as a system*".
Porras & Robertson (1992)	"A set of behavioural science-based theories, values, strategies, and techniques aimed at the planned change of the organizational work setting for the purpose of *enhancing individual development and improving organizational performance*, through the alteration of organizational members' on-the-job behaviour".
Church, Waclawski, & Seigel (1996)	"A field based on values – promoting positive humanistically oriented large-system change in organizations – plain and simple. ... OD is about *humanistic change on a system-wide level*. ... It is about *improving the conditions of people's lives in organizations*. ... Is about helping people in organizations".
Dyer (1997)	"A process whereby actions are taken to *release the creative and productive efforts of human beings* at the same time *achieving certain legitimate organizational goals such as being profitable, competitive, and sustainable*".
French & Bell (1999)	"A *long-term effort* led and supported by top management, to *improve an organization's visioning, empowerment, learning, and problem-solving processes*, through an ongoing, collaborative management of organizational culture – with special emphasis on the culture of intact work teams and other team configurations – utilizing the consultant-facilitator role and the theory and technology of applied behavioural science, including action research".
Burke & Bradford (2005)	"A system-wide process of planned change based on (1) a set of values, largely humanistic, (2) on the application of the behavioural sciences, and (3) on open systems theory".

Figure 34 – Organization Development: Egan's summary of main definitions
Source: Egan (2002)

This multiplicity confirms OD as an evolving field – with several approaches, definitions, affinities, and outcomes to be explored – enriching it, as a dynamic theoretical and practical discipline to be developed, together, by the academic and practitioner communities.

Being OD an applied field there is an evident and interesting mutual reinforcement spiral dynamics: new theories inform new practices, and the development of new practices introduces also new experimental knowledge to produce theories.

Cummings & Worley (2009, pp.1-2), considering the essential aspects of the above cited concepts and definitions, provide a wide view for Organization Development:

"*A system wide application and transfer of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organizational effectiveness*".

Within this definition they cover the major dimensions of Organization Development, in terms of:

- *Application field* – within the context of strategic change, structure, and processes, at systemic level – covering either the whole organization, a department, a work group or individual role or job;

- *Foundational base* – on the application and transfer of behavioural knowledge and practice – including micro-concepts, such as leadership, group dynamics, and work design, as well as, macro-approaches, such as strategy, organization design, and international relations;

- *Nature of its concerns* – managing planned change – as an adaptive process for planning and implementing change;

- *Main steps* concerning organizational change – in terms of design, implementation, and the subsequent reinforcement of change;

- *Orientation* towards organizational effectiveness improvement, including several important dimensions:

  - adaptability, problem-solving capabilities – focusing attention and resources on achieving key goals, helping organization members to gain the skills and knowledge necessary to conduct these activities by involving them in the change process;

  - financial and technical performance support – leveraging social science practices to increment sales and profits, improve products and services, and increase productivity;

  - Improvement on customer and other stakeholder satisfaction and loyalty, with an engaged, satisfied and learning workforce.

McLean (2006), citing the **Organization Development Network** – an organization where academics, consultants, and practitioners put efforts together on "*advancing the practice and theory of OD*" – refer their **statement of principles**, which itself *incorporate a* **definition**:

> "*Organization Development is a dynamic values-based approach to systems change in organizations and communities; it strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them.*"

*and a set of **principles of practice***, namely:

- "***Values-Based*** *- the practice of OD is grounded in a distinctive set of core values and principles that guide behaviour and actions.*

  Values-Based Key Values include:

  - *• **Respect and Inclusion** – equitably values the perspective and opinions of everyone;*

  - *• **Collaboration** – builds collaborative relationships between the practitioner and the client while encouraging collaboration throughout the client system;*

  - *• **Authenticity** – strives for authenticity and congruence and encourages these qualities in their clients;*

  - *• **Self-awareness** – commits to developing self-awareness and interpersonal skills. OD practitioners engage in personal and professional development through lifelong learning;*

  - *• **Empowerment** –focuses efforts on helping everyone in the client organization or community increase their autonomy and empowerment to levels that make the workplace and/or community satisfying and productive,*

- ***Supported by Theory*** *- draws from multiple disciplines that inform an understanding of human systems, including applied behavioural and physical sciences,*

- ***Systems Focused*** *- approaches communities and organizations as open systems; that is, acts with the knowledge that change in one area of a system always results in changes in other areas; and change in one area cannot be sustained without supporting changes in other areas of the system.*

- ***Action Research*** *- continuously re-examines, reflects and integrates discoveries throughout the process of change in order to achieve desired outcomes. In this way, the client members are involved both in doing their work, and in dialogue about their reflection and learning in order to apply them to achieve shared results.*

- ***Process Focused*** *- intervenes in organizational or community processes to help bring about positive change and help the client work toward desired outcomes*

- ***Informed by Data*** - *involves proactive inquiry and assessment of the internal environment in order to discover and create a compelling need for change and the achievement of a desired future state of the organization or community. Some methods include survey feedback, assessment tools, interviewing, focus groups, storytelling, process consultation and observation.*

- ***Client Centred*** - *focuses on the needs of the client in order to continually promote client ownership of all phases of the work and support the client's ability to sustain change after the consultant engagement ends.*

- ***Focused on Effectiveness and Health*** - *helps to create and sustain a healthy effective human system as an interdependent part of its larger environment*".

Considering their complementarities (integrating the most relevant dimensions, issues, and concerns associated to a live concept of Organization Development) these two definitions (Cummings & Worley, 2009: pp.1-2; and OD Network as cited in McLean, 2006) constitute the main Organization Development references adopted for the purpose of this doctoral dissertation.

Also, considering the characteristics of the organizational intervention which has been developed, a major relevance, by its adherence, must be given to ***French & Bell's (1999, p.29) ten principles of Organization Development***:

1. "*OD focuses on **culture and processes;***

2. *OD encourages **collaboration** between organization leaders and members in managing culture and processes;*

3. ***Teams** of all kinds are particularly important for accomplishing tasks and are targets for OD activities;*

4. *OD focuses on the **human and social side of the organization** and in so doing also intervenes in the technological and structural sides;*

5. ***Participation and involvement** in problem solving and decision making by all levels of the organization are hallmarks of OD;*

6. *OD focuses **on total system change** and views organizations as **complex social systems**;*

7. *OD practitioners are **facilitators, collaborators, and co-learners** with the client system;*

8. *An overarching goal is to make the client system able to solve its problems on its own by teaching the skills and knowledge of continuous learning through self-analytical methods. OD views organization improvement as an ongoing process in the context of a constantly changing environment;*

9. *OD relies on an action research model with extensive participation by client system members;*

10. *OD takes a developmental view that seeks the betterment of both individuals and the organization. Attempting to create 'win-win' solutions is standard practice in OD programmes."*

3.3.2 Organizational Change – its relationship with Organization Development

Despite the traditional discussions between *researchers and practitioners,* either on *Organization Development* or on *Organizational Change* (in terms of distinction, intersection, and inclusion), a brief review of the most relevant literature on the field (theoretical and applied) evidences a *strong relationship between these two areas.*

It is almost impossible, even in mere theoretical terms, to study one discipline without refer the other.

As ***Cummings & Worley (2009, p. 23)*** highlight

"*Organization Development is directed at bringing about planned change to increase an organization's effectiveness and capability to change itself*", being these processes "*generally initiated and implemented by managers, often with the help of an organization development practitioner from either inside or outside of the organization*", which can "*use Planned Change to solve problems, to learn from experience, to reframe shared perceptions, to adapt to external environmental changes, to improve performance, and to influence future changes*".

According to this, it can be concluded that (1) Planned Change can be understood as a critical way to promote Organization Development; and, reciprocally, that (2) the process of Organization Development, using Change as an instrument, produces positive effects over

Organizational preparedness (through action development) and individual preparedness (through values/attitudinal assimilation) to face continuous improvement challenges between transformational change periods.

Concerning the *Planned Change paradigms*, they consider three major theoretical approaches (Figure 35).
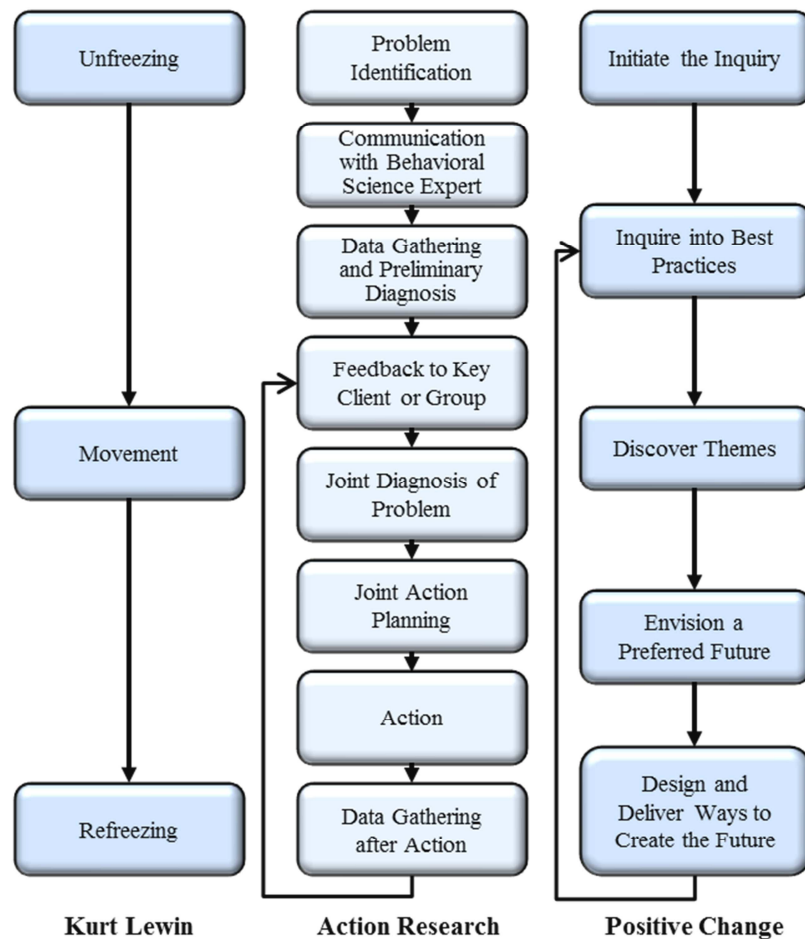
Figure 35 – Major Planned Change Approach Paradigms
Source: Cummings & Worley, 2009.

These distinct visions for approaching planned organizational change correspond to the most widely-applied and well-tested processes concerning planned change.

They have been, when firstly developed, considered as antagonist; and born on rupture with the former prevailing approaches. Besides the fact, nowadays, even the more purists on its application admit that, on practice, they can be successfully combined in a successive and/or complementary way.

One more time in science, new approaches which seem to be radically distinct, demonstrate itself, on practice, to have some potential to be combined; on different stages of application and according to the context and needs.

One of the first structured approaches to change (*Lewin, 1951*) conceives *change as an effect of modification on forces' equilibrium;* between those that tend to keep the system behaviour stable (the *status quo*), and those pushing for change; being the *resultant force* a determinant of its change or its maintenance.

According to this model – upon which other authors and practitioners have developed their own approaches, including the seven-step Lippit, Watson, & Westley's (1958) approach, and even Kotter's (1996) eight steps to change – the change process involves three **main steps**:

- *Unfreezing* – a process of "*psychological disconfirmation*"; reducing forces that sustain the *status quo;* "*surfacing*" then, and creating "*discomfort*" with the current situation (through the introduction of information evidencing discrepancies between behaviours desired by organizational members and those currently exhibited, in order to motivate them to engage in change activities);
- *Moving* – engaging on an individual, group, and organizational behaviour; shifting to a new level; intervening in the system in order to develop new behaviours, values, and attitudes; through changes in organizational structures and processes;
- *Refreezing* – stabilizing the organization at a new state of equilibrium; using incentives and supporting mechanisms, at organizational culture, reward, and structural levels.

As already highlighted, several intervention methods and frameworks concerning planned change, and following the base of this paradigm, have been developed, improved, adapted, and widely applied with success during the last decades.

One of those (ODR, 1989; Conner, 1999) – widely applied, and tested, by ODR and by major international consulting firms (e.g., KPMG) – is particularly interesting; by its wide spectrum of diagnostic survey tools; covering essential challenging areas (identifying dangers / opportunities) versus major change objectives; namely:

- *Organizational Culture* – *Culture Assessment, Implementation Problems Assessment, Synergy Survey, and Cluster Factor Assessment;*

- *Management commitment and preparedness* – *Sponsor Assessment;*
- *Change Agents' awareness and preparedness* – *Change Agent Evaluation;*
- *Change Target's potential resistances* – *Predicting the Impact of Change, Baseline Load Factor, and Change Resistance Scale.*

An immediate, direct, result of the application of these diagnostic tools is the clear identification of a formal "picture" (scaled on a range 1-10, between "*opportunity*" and "*danger*") of the risk associated to the change project; for its distinct dimensions and items; being precious, and critical, information to be monitored and managed along the change intervention.

Often, a typical (and desired) side effect of the application (and reflection) during this diagnostic is the creation of a *strong sense of awareness* of change characteristics. So, during the process, it is frequent the development of an *increasing sense of willingness to participate and engage on change*.

A second paradigmatic approach to planned change corresponds to the classical Action Research model. As Cummings & Worley (2009) detail, it is based on an 8-step structured iteration (including, within the change process, its definition of objectives, developing engagement, obtaining direct results, and emergent knowledge generation), namely along the following *main stages*:

- *Problem Identification* – usually triggered by top-management (or someone with the necessary power / influence); and establishing a relevant problem area to be characterized and addressed within the organization;
- *Consultation with a behavioural science expert* – balancing the best approach and process to conduct the action research within the current context; in fine tuning with the "customer"; creating a trust, confident climate; and sharing values and assumptions;
- *Data gathering and preliminary diagnosis* – usually driven by the organization development expert; in strict cooperation (which means, participation) with key organizational members; gathering appropriate data (using specific instruments, as required, such as interviews, process observation, surveys, existing documents); and analysing information in order to identify the causes of existing problems;

- *Feedback to key client or group* – sharing diagnostic's objective results and underlying evidence; and discussing, cooperatively, its relevance for the identified problem area;

- *Joint diagnosis of problem* – discussing together, openly, the feedback elements provided in the previous stage; exploring the problems that will be addressed along the intervention; as well as the most adequate approach to do it;

- *Joint action planning* – identifying together, and obtaining a joint consensual agreement, on the actions to develop and the best form to implement it; in strict congruence with the culture, technology, and environment of the organization; and on the sequence of the diagnostic that has been developed;

- *Action* – actual change of organizational status; through the effective implementation of planned action; which may include, as planned, new methods and procedures adoption, functional, structural reorganization, work redesign, and reinforcement of new behaviours;

- *Data gathering after action* – being action research, by its nature, an incremental cyclical process, the objective evaluation of achieved results (using specific evaluation criteria against pre-defined objectives) is a critical step to: (1) identify the effects of action, (2) report them as a necessary feedback to engaged parties, and (3) initiate a new iteration, leading to rediagnosis and new action.

This Action Research paradigm – by its relevance on the development of the current research and associated change interventions, as well as, due to the numerous variants of approaches and its specificity – *will be subject of a more rigorous and detailed analysis, from a research methods angle, in the next chapter of this doctoral dissertation.*

A third paradigm, widely applied to social change interventions, corresponds to the Positive Model.

One of its most prominently applied variants – *Appreciative Inquiry* (**Cooperrider & Whitney, 2005**) – has been born in rupture with the preceding models; considering them as deeply connoted with a *deficit based approach* to organization development and change emerging from an excessive focus on *problem solving*.

Notwithstanding this initial antagonist vision, some of their proponents and advocates start to consider some potential for its complementarities; in some cases valuing a new "Positive Problem Solving" approach.

Independently of the specific characteristics of its distinct variants, the global Positive Model approach to change – founded over the Positive Organizational Scholarship (POS) line of thought – starts, mainly, from "*what the organization is doing right*", "*focuses on positive dynamics in organizations that give rise to extraordinary outcomes*", and is based on the assumption that "*positive expectations about the organization can create an anticipation that energises and directs behaviour toward making those beliefs happen*" (Cummings & Worley, 2009).

According to these authors, the ***positive model of planned change***, is heavily based on Appreciative Inquiry, and involves *five main stages*:

- ***Initiate the inquiry*** – determining the subject of change and actively involve team members in the identification of the organizational issues that they "*have the most energy to address*";
- ***Inquire into best practices*** – gather information concerning "*best of what is*" in the organization, through interviews with its members; collecting testimonials and producing narratives ("stories") describing the organizational best practices concerning the subjects;
- ***Discover the themes*** – joint analysis the written narratives; in order to identify a set of themes which are representative of the common dimensions of the experiences shared by people;
- ***Envision a preferred future*** – joint examine the themes; challenging the status quo; and describing a compelling future (based on the past success of the organization); developing "*exciting, provocative, and possible pictures of the future*"; identifying relevant stakeholders, and critical organizational processes to be aligned to achieve it ("*what should be*");
- ***Design and deliver ways to create the future*** – describe the activities and create the plans to implement the vision about the future ("*what will be*"); progressing with action, evaluation, and new inquiry on best practices.

Cooperrider & Whitney (2005, pp.25-35) on their specific version of Appreciative Inquiry, propose a specific approach; either to transform an existing organization, as well as, to create Appreciative Organizations. It integrates four essential stages named as "*Discovery, Dream, Design, & Destiny*".

As referred, although emerging from quite differentiated lines of thought, and historical contexts, these three paradigms (targeting Organization Development through Planned Change) should not be taken as antagonist. Under the viewpoint of its application within real organizational settings, they must be considered and balanced according to the specific context and needs.

3.3.3 The Human factor: Change related Attitudes and Behaviours

Playing the human dimension a relevant role on Organizational Change – either isolated (by its self) or collectively (in groups, teams, or crossing the whole organizational level) – *change related behaviours must be carefully considered* as very relevant, on its positive and negative impact on change progression and success.

Beer & Nohria (2000) highlight that:

> "A*lthough large-scale organizational change efforts occur with increasing regularity, all too frequently these efforts fail to achieve their intended aims*".

For consultants and practitioners this is, indeed, a major concern and challenging area; daily faced by OD and Change professionals. This is also confirmed by executives and managers.

A large *McKinsey global survey on creating organizational transformation* (***Meaney & Pung, 2008***) reported that two-thirds of the respondents (3,199 CEOs from industries and regions around the world) have indicate that their companies have failed to "*achieve a true step change in performance*" after implementing organizational changes.

Among others *factors*, one the important conclusion of the study highlights that

> "*Successful companies are far likelier to communicate the need for change in a positive way, encouraging employees to build on success rather than focusing exclusively on fixing problems*".

This confirms, within the wide context of the respondent's perceptions, the *importance of the engagement dimension*; minimizing resistances and developing change readiness at all levels of the organization.

Another *work study* (***Jorgensen, Owen, & Neus, 2008***), *developed by IBM*, and based on a survey and interviews with more than 1,500 practitioners worldwide, has reported that

"*Most CEOs consider themselves and their organizations to be executing change poorly, but some practitioners have begun to learn how to improve their outcomes*".

The study evidences that, on average, only "*41% of projects were considered successful in meeting project objectives within planned time, budget and quality constraints*".

As major "*change challenges*" the study reported "*that the most significant challenges when implementing change are people-oriented*"; being on the top of the list factors such as:

- "*changing mindsets and attitudes*" (58%);
- "*corporate culture*" (49%), and
- "*complexity is underestimated*" (35%).

Concerning the question "*what makes change successful*", again the "*soft*" dimension of change has emerged as critical:

- "*top management sponsorship*" (92%),
- "*employee involvement*" (72%),
- "*honest and timely communication*" (70%),
- "*corporate culture that motivates and promotes change*" (65%),
- "*Change agents as pioneers of change*" (55%), and
- "*change supported by culture*" (48%).

These results, converging as a strong perception within the community of practice, are in deep alignment with the *relevance that the academic community gives to the conceptual work on change attitudes*; in particular on "*change readiness*" and "*resistance to change*"; as important aspects with strong impact on program and project success; and, thus, on organization development and effectiveness.

As any coin, the human side of change has also two faces. Armenakis et al. (1993) refer:

"W*hile some name* **resistance** *to change as a major problem in organisations, others have focused on* **readiness** *for change and the role that it plays in facilitating organisational change*".

Both aspects must be considered; in congruence with Lewin's (1951) focus on Force Field Analysis: balancing change *restraining* and change *facilitating* forces, in order to promote change.

Considering *Resistance to Change*, many studies focus on employee resistance as a *primary source of organizational change failure* (Waldersee & Griffiths, 1996; Erwin & Garman, 2010); identifying many *varieties of ways* of change resistance (Oreg, 2006).

Some of them advocate the use of *resistance to change as a positive influencer* (Downs, 2012); others as *something that may be used to build support to change* (Maurer, 1996).

Resistance can be interpreted, either as "*any attitudes or behaviours that thwart organisational change goals*" (Chawla & Kelloway, 2004: p. 485); or as "*any conduct that serves to maintain the status quo in the face of pressure to alter the status quo*" (Zaltman & Duncan, 1977:p. 63).

Bennebroek-Gravenhorst (2004:p. 320) provides two quite different *paradigmatic views concerning resistance to change* (table in Figure 36).

	Basic idea	*Main cause*	*Evaluation*	*Political perspective*	*Solution*
Traditional view	Inevitable and natural reaction to any change	Employees' insecurity and need for stability	Illegitimate behavior directed against management	Management and employees are opposing parties	Informing and exerting pressure to comply to changes
Alternative view	Reaction that varies per change and can be prevented	Change approach that excludes employees from change	Understandable behavior expressing concern for the organization and commitment	Management and employees are parties that can work together in realizing change	Making change a collaborative effort of all stakeholders

Figure 36 – Two views of Resistance to Change
Source: Bennebroeck-Gravenhorst, 2004.

According to him, in a *traditional view* resistance is faced as "*a natural reaction to change resulting from individual and organizational forces directed at stability*"; being "*seen as illegitimate behaviour directed against management*". Within this view "*managers need to overcome resistance by informing people about the change and eventually pushing through what they want*". On the opposite, an *alternative view* considers resistance as a reaction to "*being excluded from the change process*"; which must be considered as "*an expression of concern*" from employees from the fact. So, accordingly, "*managers can then prevent*

resistance by choosing a change approach that allows for cooperation and involvement", instead of "*compliance with power*".

Other authors enforce the construct of *openness to change* to refer to "*the positive affect towards change and willingness to support it*" (Miller, Johnson, & Grau, 1994; Wanberg & Banas, 2000).

Armenakis et al. (1993: pp. 681-682) use a wide concept: **readiness to change** as

> "*The cognitive precursor to the behaviours of either resistance to, or support for, a change effort*", is a "*process where employees' beliefs and attitudes about an organizational change are altered to perceiving the change as necessary and achievable*".

For them "*resistance and readiness have been used interchangeably, often causing confusion and thus not providing a clear classification for determining what the antecedents and consequences of these constructs are*".

They enhance that "*past research has suggested that change readiness attitudes pre-empt change resistance*" and argue that "*strategies for combating resistance to change (such as communication and participation) are described as actually creating readiness*".

McKay, Kuntz, & Naswall (2013) – on an *empirical study* involving a sample of 102 employees; from 6 governmental organizations that "*were about to undergo or were currently going through a large-scale change*" – have studied the correlation between *important variables,* such as "*affective commitment*", "*communication adequacy*", "*participation*", "*readiness for change*", and "*resistance to change*". They provide an interesting analysis on these variables, and an exhaustive literature review on the subject.

Summarizing their findings – on the evidence of the *relevance of communication over organizational change processes* – they highlight that, overall, the results suggest that:

• "*the adequacy of change related **communication** is the main predictor across readiness for change dimensions, and in some segments of the workforce (i.e., non-leaders) adequate and timely communication may compensate for lack of participation in decision-making at the outset of an organisational transformation;*

- *perceived **appropriateness** of the change to an organisation mediates the relationship between communication adequacy and intent to engage in change resistant behaviours; and*

- ***affective commitment** to the organisation elicits positive perceptions of change valence, even if it does not influence other change readiness factors, and is directly related to lower intent to resist the change”.*

From an Action Research perspective (which seeks for *existing knowledge as a foundation to develop organizational transformation interventions*) this publication reveals as very useful. Not only by its final conclusions, but, also, by some essential aspects to take into account, and which emerge from an exhaustive literature review on the subject.

By its relevance, we transcribe the following main assertions:

- *“There is ample consensus in the literature with respect to the role of appropriate communication and opportunity for participation and involvement in change planning in managing change resistance;*

- *At the outset of any organisational change, uncertainty due to lack of information regarding the process and intended outcomes can be more stressful to employees than the practical aspects of the change;*

- *The timely and adequate provision of information regarding upcoming changes reduces those levels of anxiety. In practice, when employees receive useful and timely information about a change, they tend to evaluate the change more positively and exhibit greater willingness to cooperate;*

- *Whilst change communication is seen as a good way to overcome resistance, providing opportunity for participation in a change has also been commended as a way to help reduce these negative attitudes toward transformations to the work setting. Employee participation in an organisational change is thought to make the realities of the transformation clearer, while also benefiting the change managers by gaining more information regarding employee perspectives and change-oriented skills;*

- *Not only do employees feel involved and able to provide helpful input, but change drivers receive valuable information that can assist with change related decision-making.*

Overall, employees who feel like they have an opportunity to participate in change planning tend to exhibit greater engagement with, and often more support for the change;

- *The concept of readiness for change has largely emerged from the fields of health psychology and medical studies, and later extrapolated to organisational settings. In the latter realm, it describes employee belief in the benefits of a change to the organisation and work processes, and that these changes have a high likelihood of being successfully implemented;*

- *A current perspective of readiness for change introduces it as a multidimensional construct rooted on four components:*
  - *appropriateness - employees perceive that the change is appropriate to the organisation, given its characteristics,*
  - *managerial support - employees perceive that managers are supportive of the change,*
  - *self-efficacy - employees perceive that they possess the skills and competencies to successfully cope with the change, and*
  - *personal valence - employees believe the change will be personally beneficial;*

- *Armenakis et al. (1993) describe two necessary courses of action for creating readiness for change in an organisation:*

- *The first is to communicate a clear message of discrepancy between the status quo and the desired end change state. Employees who are change-ready hold a sound understanding of the change and why it is important to the organisation,*

- *The second course of action is to build confidence in employees that they have the knowledge, skills and abilities needed to cope with the requirements imposed by this discrepancy;*

- *Employees embrace change to the extent that they deem their skills and abilities to match those needed to succeed in new roles, which increases their willingness to accept and participate in change planning. Overall, a sound communication strategy allays employees' fears regarding the unfavourable impact of the change on valued features of the organisation and job, educates employees about the purposes and value of the change, and, combined with consultation and developmental*

interventions, empowers employees and fosters confidence in their ability to cope with new job demands;

- *With respect to participation, employees who are invited to take part in the planning and implementation of a change are more likely to understand and accept the underlying reasons and proposed objective;*

- *Active participation in change may entail activities aimed at increasing knowledge about the change while critically analysing its guiding principles, and increasing competency to cope with change requirements, namely the provision of a vicarious learning experience consistent with new tasks and responsibilities;*

- *In essence, participation should facilitate a sense of ownership of the change process, where employees perceive that they are integral to the change process, clearly understand its strategic purpose and benefits, and experience a sense of efficacy with respect to the new challenges posed by the change;*

- *Research on organisational commitment as an antecedent to change reactions is scarce, but there is some evidence suggesting that affective commitment may play an important role in organisational change acceptance and positive attitudes and reactions toward organisational change. Studies to date suggest that employees report greater readiness for change when they feel committed to their organisations, though this may be contingent on the extent to which the change is seen as not imposing drastic transformations to values and features they identify with".*

Other important aspects associated with *resistance to change* are its *prevention*, or *minimization*.

On a first prominent contribute to this area, **Coch & French (1948)** investigated the effect of group consultation on the amount of resistance evidenced; concluding that "**participation in group meetings** *decrease resistance and increase team members' commitment to change*".

Lawrence (1969), highlighting the importance of **employee participation and involvement** as a strategy to overcome resistance, assert that "*maintaining the quality of social relationships would help to keep resistance to a minimum*".

Kotter & Schlesinger (1979), arguing that "*many managers underestimate not only the variety of ways people can react to organizational change, but also the ways they can positively influence specific individuals and groups during a change*", describe **several causes for resistance** and develop a **systematized way to select a strategy/approach to address it.**

Based on their analysis of "*successful and unsuccessful organizational changes*", they propose six essential approaches on the subject (table in Figure 37); including the associated, rationale, prescriptions for usage according to the situations (when), advantages and drawbacks.

Approach	Rationale	When	Advantages	Drawbacks
Education & Communication	Educate people about change beforehand. Communication of ideas helps people see the need for and the logic of a change. The education process can involve one-on-one discussions, presentations to groups, or memos and reports.	Where there is a lack of information or inaccurate information and analysis.	Once persuaded, people will often help with the implementation of the change.	Can be very time-consuming if lots of people are involved.
Participation & Involvement	If the initiators involve the potential resistors in some aspect of the design and implementation of the change, they can often forestall resistance. With a participative change effort, the initiator listen to the people the change involves and use their advice.	Where the initiators do not have all the information they need to design the change, and where others have considerable power to resist.	People who participate will be committed to implementing change, and any relevant information they have will be integrated into the change plan.	Can be very time-consuming if participators design an inappropriate change.
Facilitation & Support	Being supportive, which might include providing training in new skills, or giving employees time off after a demanding period, or simply listening and providing emotional support.	Where people are resisting because of adjustment problems (e.g., when fear and anxiety lie at the heart of resistance).	No other approach Works as well with adjustment problems.	Can be time-consuming, expensive, and still fail.
Negotiation & Agreement	Offer incentives to active or potential resistors. For instance, management could give a union a higher wage rate in return for a work rule change; it could increase an individual's pension benefits in return for an early retirement.	Where someone or some group will clearly lose out in a change, and where that group has considerable power to resist.	Sometimes it is a relatively easy way to avoid major resistance.	Can be too expensive in many cases if it alerts others to negotiate for compliance.
Manipulation & Co-optation	In some situations, managers also resort to covert attempts to influence others. Manipulation, in this context, normally involves the very selective use of information and the conscious structuring of events. One common form of manipulation is co-optation. Co-opting an individual usually involves giving him or her a desirable role in the design of the change or implementation of the change. Co-opting a group involves giving one of its leaders, or someone it respects, a key role in the design or implementation of a change. This is not a form of	Where other tactics will not work, or are too expensive.	It can be a relatively quick and inexpensive solution to resistance problems.	Can lead to future problems if people feel manipulated.

Approach	Rationale	When	Advantages	Drawbacks
	participation, however, because the initiators do not want the advice of the co-opted, merely his or her endorsement			
Explicit & Implicit Coercion	Force people to accept a change by explicitly or implicitly threatening them (with the loss of jobs, promotion possibilities, and so forth) or by actually firing or transferring them.	Where speed is essential and the change initiators possess considerable power.	It is speedy, and can overcome any kind of resistance.	Can be risky if it leaves people mad at the initiators.

Figure 37 – Kotter & Schlessinger's essential approaches to deal with resistance to change
Source: Kotter & Schlesinger, 1979.

The first three strategies of the model – *communication, participation, and facilitation* – are considered as *positive, people-oriented* approaches to deal with change resistance; understanding and responding it; **working *with* resistance**.

The remaining – *negotiation, manipulation, and coercion* – are considered as *negative, structure-oriented* approaches; fighting and minimizing it; **working *against* resistance**.

Positive approaches understand resistance as legitimate, avoidable reactions, as opportunities on behavioural change and development. Negative approaches face resistance as undesirable, unavoidable, harmful reaction to change, which must be fought.

All these aspects are relevant, and must be considered, as impacting issues, when developing "real-world" interventions within organizational settings.

Concerning significant reasons "*why change in organizations progresses with difficulty*", **Bennebroek-Gravenhorst (2004:p. 318)** present *four explanations*, including:

• *Focusing on single issues* – "*on either hierarchical relations, **or** organizational culture, **or** internal communication, **or** resistance from employees - ignoring the complex nature of fundamental change processes*" where "*paying attention to multiple causes of problems and the way they are connected helps to understand the complexity of change and offers a direction for solutions.*";

• *A dominant management perspective* – which "*usually dominate change processes in organizations*", hiring "*consultants to assist them to plan and implement the change*" who are "*tempted to take a similar point of view regarding the diagnosis of the situation and the direction of the change*";

- *Content-driven change* combined with *a top-down approach* – resulting in "*many barriers to change*", enforcing "*the dominant or central role of top managers and the strong focus on content*", involving "*only one group*", and having "*little chance of success*", "*especially if the change is complex and asks for a collaborative effort of top managers, middle managers, and employees*".

So, the author proposes a distinct approach to change – *enforcing positive, people-oriented processes* and arguing that:

- *"Instead of focusing on the content of change, focus must be given on structuring the change process in such a way that stakeholders can work together in producing their own content*. As a result, the content is based on the expertise of the parties that combine their knowledge and skills;*

- *Due to participation* in the process of creating solutions for the issues that are at stake, *there is no need to create acceptance of new ideas, proposals, or directions of change. People produce solutions themselves*, which contributes to the *quality* of the outcomes and to *commitment* to their implementation;*

- *Process-oriented changing* can deal with some important limitations of programmatic top-down change approaches. However, it does not lead to positive results without effort. Choosing these methodologies may seem *more intense and expensive than the more common approaches* in which a few experts design solutions that subsequently need to be implemented by others. For some situations this can be a cheaper, faster, and more efficient approach;*

- *In a context of fundamental change, it is not. Such changes *require the involvement of all stakeholders, interaction, exchange of perspectives, learning, and development*. In these kinds of situations, it is relevant and worthwhile to invest in organization-wide change methodologies that allow for *co-creation of change;**

- *The idea of ownership is a central issue* in our discussion of resistance to change. In the traditional view of resistance to change, managers need to overcome resistance to *their* change process. Employees presumably resist change because they have a natural preference for stability and fear the unknown. Thus, managers and employees are seen as opposing parties. In the alternative proposed view, *employees resist change because they are generally being excluded from change processes;**

- *Top-down and planned change efforts make change the exclusive domain of higher management. Employees that are merely recipients of change do not resist the change itself, they resist the way the change process is organized and managed. Thus, **dealing with resistance does not ask for reducing uncertainty through information or using formal and coercive power to implement change. Instead, it asks for making change a collaborative effort of all stakeholders**. Thus, **resistance is prevented by choosing a change approach that allows managers, employees, and other stakeholders to work together as partners in a change process**."*

Oreg, Vakola, & Armenakis (2011) – based on a wide review of empirical studies on change recipients' reactions to organizational change, and considering 79 quantitative studies published between 1948 and 2007 – inductively developed a model (figure 38)

"*of (**a**) **explicit reactions** to change, in which these reactions are conceptualized as tridimensional attitudes; (**b**) reaction **antecedents** that comprise prechange antecedents and change antecedents; and (**c**) change **consequences**, including work-related and personal consequences*".

The model was based on an exhaustive electronic search of abstracts, within relevant publications, based on the terms "*reactions to change, resistance to change, openness to change, attitudes toward change, willingness to change, readiness to change* and *receptivity to change*".

It provides an "*overarching view of change recipients' reactions*"; proposing "*an organizing structure for the various study themes*" based on a coding scheme developed by the authors to integrate the findings, and classifying the associated variables, which they deeply explore along the article.

Considering, as they refer, that exists a "*growing consensus about the key role that change recipients' reactions to change have in determining the change's potential to succeed*", and that "*recent studies of organizational change demonstrated the meaningfulness of change recipients' attitudes toward change for understanding the organizational change process*", the article represents a good knowledge basis; as systematized input to be considered when facing wide and complex, organizational transformation program which puts people as its focus and main driver.
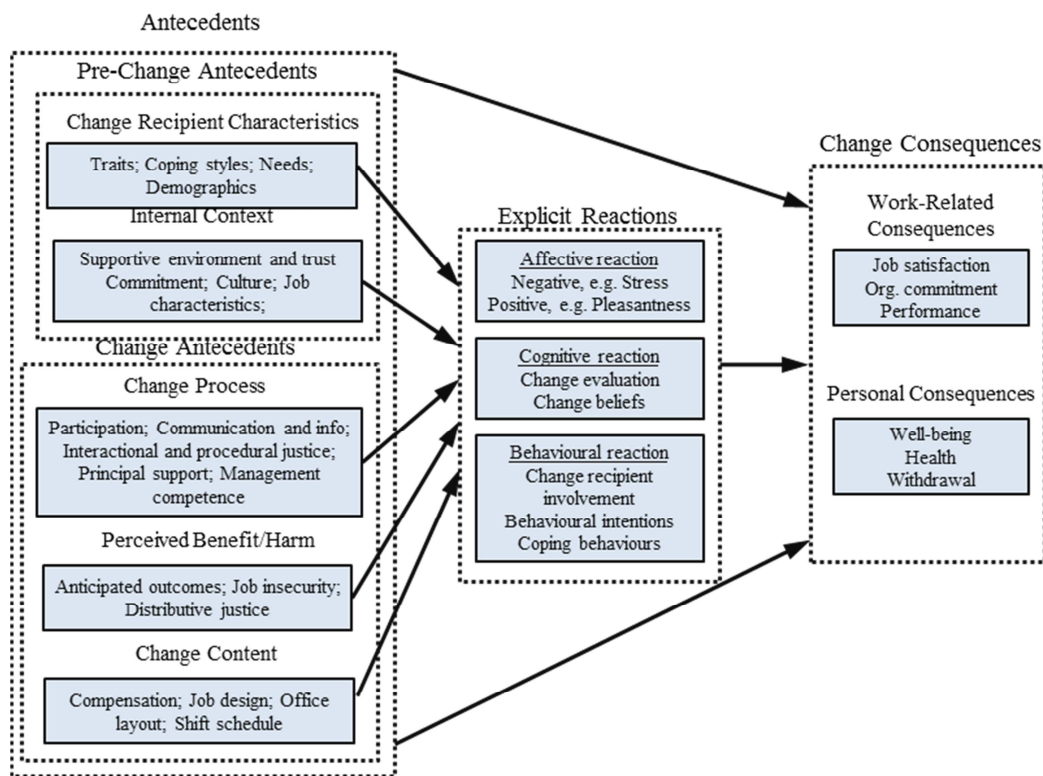
Figure 38 – Oreg et al. Model of Antecedents, explicit reactions, and consequences of organizational change
Source: Oreg, Vakola, & Armenakis, 2011.

Namely, its "***practical implications***" – here transcribed – are a main evidence of this relevance; thus providing a good basis for understanding and action planning:

"*Taken together, results from the studies in our review suggest a number of directions for organizations to follow when aiming to increase support for proposed organizational changes.*

First and foremost, the internal context and the change process antecedent categories offer the most straightforward prescriptions for change management. Each factor within these antecedent categories prescribes a practical direction for organizations to adopt in improving change recipients' responses to change. For example, the consistent finding concerning the link between organizational trust and support for change highlights the special significance of trust in times of change. Furthermore, increasing change recipient involvement in the change and setting change recipients at greater ease, by allowing participation and ensuring a just process, have been shown to go a long way in alleviating resistance. Therefore, beyond the overall importance of trust and commitment, managers should invest special attention in creating a supportive and

trusting organizational culture if they expect change recipients' support and cooperation in times of change. Given that creating such an atmosphere requires an ongoing process that typically takes a long time, an important first step will be the adoption of a supportive and participatory change process.

Second, findings on the dispositional characteristics associated with positive reactions to change present the possibility for organizations to select change recipients on the basis of these dispositions for positions or assignments in which successfully dealing with change is key. In addition, change agents and HR specialists can provide special training and support to those individuals who have a harder time coping with change. Furthermore, the focus on change recipient characteristics has also highlighted the importance of opinion leaders in successfully implementing change (Lam & Schaubroeck, 2000).

Finally, change recipients are naturally concerned with the personal impact that the change will have on them. If perceived risks/costs outweigh benefits, change recipients will understandably tend to resist change. This may seem obvious, but findings demonstrate that managers are often oblivious to how change recipients will respond to the change and do not give enough thought to change recipients' perspectives. As a start, global and local change agents need to be clear, early on, about the precise ramifications the change program will have for change recipients. More importantly, however, change agents must give special consideration to these ramifications and aim to understand and incorporate change recipients' perspectives in the design of the change. Practically, they should carefully plan the change effort and make every effort to explain how any threat can be dealt with, and at the same time introduce and highlight the personal benefits change could have for employees, beyond its importance for the organization".

Particularly the identification of the *main variables which are associated with each area of concern* detailed on the diagram; as well as the *tables which reference this association* and the *cross-referencing with the base articles;* are a main asset for further investigation on the subject. In fact, they provide a systematized overview, including references to most significant quantitative studies on the area.

3.3.4 Organizational Change: theoretical foundations and paradigmatic visions

Having previously elaborated on essential aspects related with organization development; its relationship with organizational change; and some critical issues associated with people involvement and reactions to change; it is now important to highlight some key knowledge aspects of existing knowledge related to the distinct *types, paradigms, and approaches to organizational change*.

One of the first associated debates involves the kind of envisioned organizational change, its characterization, and dynamics along organizational life.

Greiner (1972), concerning the ***organizational change dynamics*** (with its *evolution-revolution framework* of organizational change) described the typical life cycle of an organization as consisting of "*extended evolutionary periods of incremental change interspersed with short revolutionary periods*".
 Setting the foundations for new organizational change theories involving strategic redirection and transformation, he highlights that:

> "*During reorientations large and important parts of the organization (strategy, structure, control systems, find sometimes basic beliefs and values) change almost simultaneously in a way that leads to very different organizational emphases*".

This theory has been further elaborated at the "***punctuated equilibrium***" model (***Tushman & Romanelli, 1985***) emphasizing the combination of the "*life cycle motor*" with the "*teleological motor*".

The ***concept of "motor",*** developed by ***Van de Ven & Poole (1995)*** within their Process Theories of Organization Development and Change, has been used to refer to the distinct underlying mechanisms associated with four ideal theories of change: "*life cycle*", "*teleology*", "*dialectics*", and "*evolution*" (figure 39).

He suggests that most change theories could be understood within one motor or in a combination of them.

This classification is based on a two dimensional view; considering the *mode of change* (*prescribed* versus *episodic*) and the *unit of change* (*single* entity or *multiple* entities).
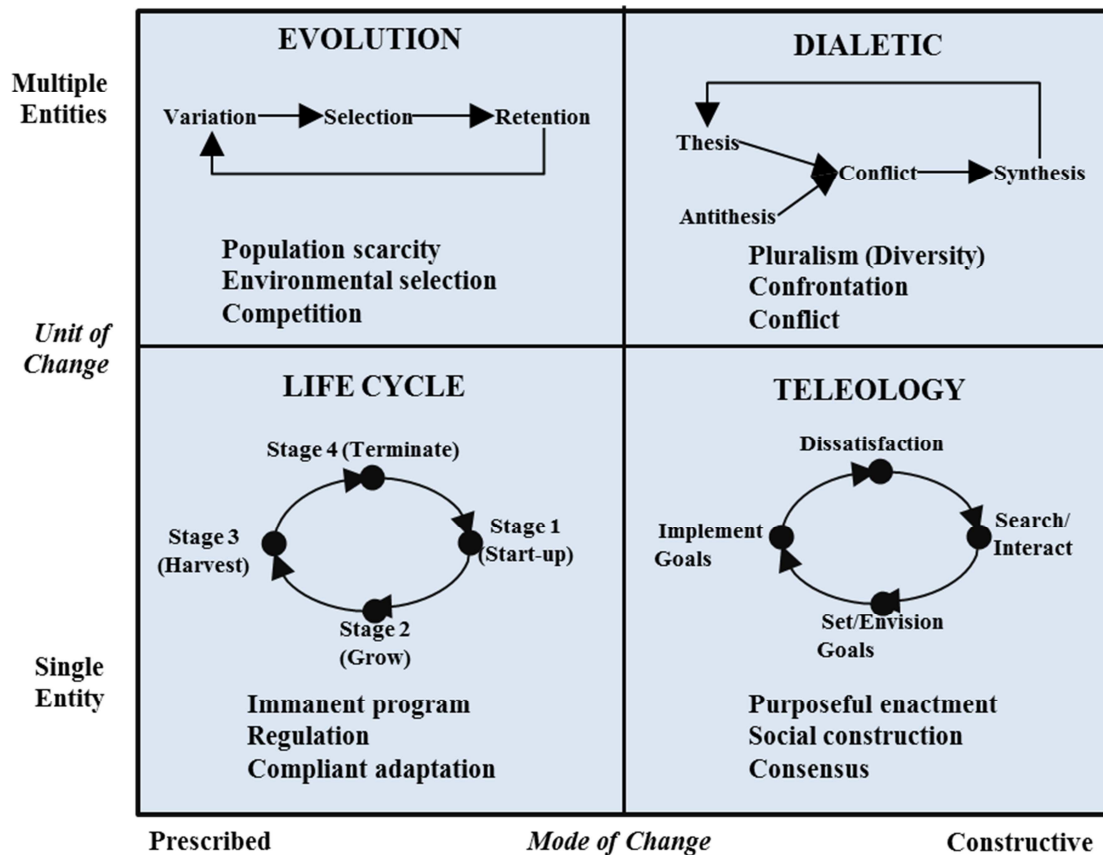
Figure 39 – Van de Ven & Poole's Process Theories of Organization Development and Change
Source: Van de Ven & Poole, 1995.

On an extensive analysis of organization development theories and practices, explained on the basis of this theoretical tipification, **Austin & Bartunek (2003)** *synthesize each of these four approaches to organizational change*, as follows:

• "*The **teleological** motor describes organizational change as the result of purposeful social construction by organization members, in a development is a cycle of goal formation, implementation, evaluation, and modification, where organizational change is goal driven. Impetus for change emerges when actors perceive that their current actions are not enabling them to attain their goals, and the focus is on processes that enable purposeful activity toward the goals. This motor can be found in most contemporary theories of organizational change. For example, recent extensions of evolutionary theories and institutional theories-evolutionary innovation and*

institutional agency-have adopted a teleological motor. Change leadership theories rely on the teleological motor as well";

- *"The **life cycle** motor envisions change as a progression through a predetermined sequence of stages, where the ordering of the stages does not change, but the speed of progress and the triggers that lead to advancement through the process vary. Van de Ven & Poole (1995) noted that the "trajectory to the final end state is preconfigured and requires a specific historical sequence of events" (p. 515)";*

- *"The **dialectic** motor describes organizational change as the result of conflict between opposing entities (process of a thesis and antithesis), where new ideas and values must directly confront the status quo, attempting to create a synthesis of them, and to embrace the differing perspectives. This motor often drives cognitive and political change theories and plays a prominent role in schematic change theories and communicative change models.", and*

- *"The **evolutionary** motor focuses on change in a given population over time, involving a continuous cycle of variation, selection, and retention. Evolutionary theories of organizational change focus on environmental conditions that create inertial pressures for organizational change. Change theories built around this motor begin with the assumption that one must understand the environmental setting of an organization in order to understand the dynamics of change. Organizations evolve based on their ability to respond and adapt to these powerful external forces".*

***Weick & Quinn** (**1999**)*, agreeing with the importance of Van de Ven & Poole's classification, add a new dimension, referring that "*Recent analyses of organizational change suggest a growing concern with the **tempo of change**, understood as the characteristic rate, rhythm, or pattern of work or activity*".

Contrasting the concepts of "***episodic change***" and "***continuous change***", on the basis of "*implied metaphors of organizing, analytic frameworks, ideal organizations, intervention theories, and roles for change agents*", they argue that "*episodic change follows the sequence unfreeze-transition-refreeze, whereas continuous change follows the sequence freeze-rebalance-unfreeze*"; suggesting that "*conceptualizations of inertia are seen to underlie the choice to view change as episodic or continuous*".

They refer to *episodic change* as

"*A term used to group together organizational changes that tend to be infrequent, discontinuous, and intentional, which occurs during periods of divergence when organizations are moving away from their equilibrium conditions*".

Moreover, they consider that "*divergence is the result of a growing misalignment between an inertial deep structure and perceived environmental demands*", clarifying that

"*This form of change is labelled episodic because it tends to occur in distinct periods during which shifts are precipitated by external events such as technology change or internal events such as change in key personnel*".

Concerning *continuous change* they use the term to

"*Group together organizational changes that tend to be ongoing, evolving, and cumulative, being this kind of change described as situated and grounded in continuing updates of work processes and social practices, focused on accommodations to and experiments with the everyday contingencies, breakdowns, exceptions, opportunities, and unintended consequences*".

And they proceed, highlighting that

"*As these accommodations .are repeated, shared, amplified, and sustained, they can, over time, produce perceptible and striking organizational changes, being the distinctive quality of continuous change is the idea that small continuous adjustments, created simultaneously across units, can cumulate and create substantial change, scenario which presumes tightly coupled interdependencies, and that when interdependencies loosen, these same continuous adjustments, now confined to smaller units, remain important as pockets of innovation that may prove appropriate in future environments*".

Drawn on a wide literature review and systematization, Weick & Quinn's (1999) main conclusions provide deep, interesting, knowledge to be considered, and applied, on real organizational settings – either *to understand the characteristics of each kind of organizational change*, as well as, not less important, from a longitudinal point of view (*tempo dimension*), *to understand its successive interleaving episodes along organizational life*.

So, according to this deep relevance, explicit reference is made here to their main conclusions (pp. 381-382):

> "*Our review suggests both that change starts with failures to adapt and that change never starts because it never stops. Reconciliation of these disparate themes is a source of ongoing tension and energy in recent change research. Classic machine bureaucracies, with their reporting structures too rigid to adapt to faster-paced change, have to be unfrozen to be improved. Yet with differentiation of bureaucratic tasks comes more internal variation, more diverse views of distinctive competence, and more diverse initiatives. Thus, while some things may appear not to change, other things do. Most organizations have pockets of people somewhere who are already adjusting to the new environment.*
>
> *The challenge is to gain acceptance of continuous change throughout the organization so that these isolated innovations will travel and be seen as relevant to a wider range of purposes at hand.*
>
> *Recent work suggests, ironically, that to understand organizational change one must first understand organizational inertia, its content, its tenacity, and its interdependencies.*
>
> *Recent work also suggests that change is not an on-off phenomenon nor is its effectiveness contingent on the degree to which it is planned. Furthermore, the trajectory of change is more often spiral or open-ended than linear. All of these insights are more likely to be kept in play if researchers focus on 'changing' rather than 'change'.*
>
> *A shift in vocabulary from 'change' to 'changing' directs attention to actions of substituting one thing for another, of making one thing into another thing, or of attracting one thing to become other than it was. A concern with 'changing' means greater appreciation that change is never off, that its chains of causality are longer and less determinate than we anticipated, and that whether one's viewpoint is global or local makes a difference in the rate of change that will be observed, the inertias that will be discovered, and the size of accomplishments that will have been celebrated*".

Another tipification schema for change interventions was established by *Porras & Robertson (1992)*, on the basis of *two independent dimensions* – considering

- its **starting form** (planed versus not planed) and
- the **extent** to which organizational conditions are changed (first order versus second order).

To the authors, **planed** change is internally triggered in a structured way, while **unplanned** change is required by external factors to which the organization reactively tends to adapt. On the other dimension, it can be classified into **first order** if they not involve a change on organizational functioning core assumptions, or **second order** changes if they imply a radical rupture.

Combining these two dimensions they identify **four distinct types of organizational changes**:

- **Incremental** – planned, first order changes, corresponding to intentional changes on the normal organizational functioning;
- **Transformational** – planned, second order changes, e.g., deep changes targeting organizational culture and climate, and involving a previous plan of structured actions, with a wide impact on management processes, structures, and work design;
- **Evolutionary** – unplanned, first order changes, reacting to environmental changes, just like customer needs or competitive pressure, and
- **Revolutionary** – unplanned, second order changes, when the organization is forced by extreme external conditions to drastically change their principles, involving radical changes on strategy, policies, structure, operative, or resources.

On a different perspective, **Beer & Nohria (2000)** – considering the **strategic purpose** of change – suggest a dichotomy to classify the types of change, making the distinction between "*economic-driven transformations*" and "*changes to support organizational capabilities*".

For these authors, *economic-driven changes* target directly the creation of economic value by focusing on structure and systems, in order to reduce costs; just like reorganization and downsizing, often resulting in personnel reduction, threatening job security, and with a destructive effect on morale, attitudes, and well-being, of employees. On the other hand, *changes directed at the development of organizational capabilities*, usually focus on culture, behaviour, and attitudes, generally producing the opposite (positive) effect.

Another perspective is associated with ***change learning levels***; as evidenced by ***the works of Argyris*** (Argyris & Schön, 1974; Argyris, Putnam, & McClain Smith, 1985; Argyris, 2002) concerning Model I versus Model II theories of action; and the concepts of single and double-loop learning.

Argyris & Schon's (1974) *Model II learning* and Argyris, Putnam, & Smith's (1985) *action science model* provide a common base for dialectic action science methods. For them, change is triggered by calling attention to discrepancies between *action* and *espoused* values; where highlighting differences between *"theories in use"* and *"espoused theories"* generates the impetus for change.

Argyris focused on processes that enable *double-loop learning* and awareness of underlying *values guiding action*. He defined (2002) learning as the "*detection and correction of error*", and making a clear distinction between *single-loop learning*, which "*occurs when errors are corrected without altering the underlying governing values*" and *double-loop learning*, which "*occurs when errors are corrected by changing the governing values and then the actions*".

Senge (2006:p. 766), rooted on these concepts and developing the theme of the *role of Leaders* on building Learning Organizations, refers a clear distinction between the notions of ***generative*** learning ("*which is about creating*") and ***adaptive*** learning ("*which is about coping*").

And he *elaborates on this reasoning*, enhancing that:

> "The prevailing view of learning organizations emphasizes increased adaptability.
>
> But increasing adaptiveness is only the first stage in moving toward learning organizations. This is why leading corporations are focusing on generative learning, which is about creating, as well as adaptive learning, which is about coping.
>
> The distinction between adaptive and generative learning has its roots in the distinction between what Argyris and Schön have called their "single-loop" learning, in which individuals or groups adjust their behaviour relative to fixed goals, norms, and assumptions, and "double-loop" learning, in which goals, norms, and assumptions, as well as behaviour, are open to change.
>
> The total quality movement in Japan illustrates the evolution from adaptive to generative learning. With its emphasis on continuous experimentation and

feedback, the total quality movement has been the first wave in building learning organizations.

Generative learning, unlike adaptive learning, requires new ways of looking at the world, whether in understanding customers or in understanding how to better manage a business.

Leadership in learning organizations centres on subtler and ultimately more important work.

In a learning organization, leaders' roles differ dramatically from that of the charismatic decision maker. Leaders are designers, teachers, and stewards.

These roles require new skills: the ability to build shared vision, to bring to the surface and challenge prevailing mental models, and to foster more systemic patterns of thinking.

In short, leaders in learning organizations are responsible for building organizations where people are continually expanding their capabilities to shape their future – that is, leaders are responsible for learning.

Leadership in a learning organization starts with the principle of Creative tension.

Creative tension comes from seeing clearly where we want to be, our "vision," and telling the truth about where we are, our "current reality."

The gap between the two generates a natural tension.

Creative tension can be resolved in two basic ways: by raising current reality toward the vision, or by lowering the vision toward current reality.

Individuals, groups, and organizations who learn how to work with creative tension learn how to use the energy it generates to move reality more reliably toward their visions.

Vision without an understanding of current reality will more likely foster cynicism than creativity.

The principle of Creative tension teaches that an accurate picture of current reality is just as important as a compelling picture of a desired future.

Leading through creative tension is different from solving problems.

In problem solving, the energy for change comes from attempting to get away from an aspect of current reality that is undesirable.

With creative tension, the energy for change comes from the vision, from what we want to create, juxtaposed with current reality.

Although the distinction may seem small, the consequences are not.

Many people and organizations find themselves motivated to change only when their problems are bad enough to cause them to change.

This works for a while, but the change process runs out of steam as soon as the problems driving the change become less pressing.

With problem solving, the motivation for change is extrinsic.

With creative tension, the motivation is intrinsic.

This distinction mirrors the distinction between adaptive and generative learning".

Luthans (2008:p. 65) depicts (figure 40) and details the rationale behind the ***three major dimensions which are present on a Learning Organization***, namely: "*presence of tension*", "*systems thinking*", and a "*culture facilitating learning*".
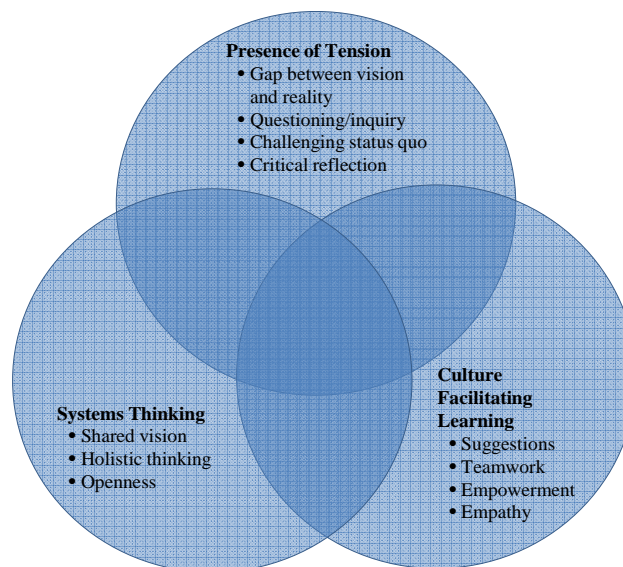
Figure 40 – Luthan's Characteristics of Learning Organizations
Source: Luthans, 2008.

For each of these dimensions the author enhances, for a Learning Organization, that:

• "*The presence of tension – Senge calls it 'creative tension' – serves as a catalyst or motivational need to learn. This tension stems from the gap between the organization's vision (which is hopefully always being adjusted upward) and reality and suggests the learning organization's continually questioning and challenging the status quo*";

- *"The systems characteristic of learning organizations recognizes the shared vision of employees throughout the whole organization and the openness to new ideas and the external environment;*

- *"The culture of the organization places a high value on the process of learning and goes beyond mere lip service by setting mechanisms in place for suggestions, teams, empowerment, and, most subtle but important, empathy. This empathy is reflected by the genuine concern for an interest in employee suggestions and innovations that can be operationalized through reward systems".*

These theoretical foundations, used to typify the kind of organizational change dynamic paradigms, motors, and main purposes – as well as some important guiding principles and orientations on double-loop, generative learning of the basis of Learning Organizations – help to contextualize the current intervention principles and specific characteristics.

They respond to essential questions concerning change meaning and purposes; namely the ***"why" of organizational transformation***.

3.3.5 Major Change (transformational): Approaches, Dynamics, and Processes

Another set of questions – more related with the "***what***" – conducts us to a base ***distinction between "hard" and "soft" systems models of change interventions.***

3.3.5.1   Organizational Change – "hard" versus "soft" approaches

This differentiation is clearly provided by ***Senior & Swailes (2010)***, by stressing that "*some change situations (problems/opportunities), by the **nature of their complexity and particular characteristics**, require **soft** rather than hard **systems approaches to change**".* They argue that "***hard systems approaches to change** require the setting of quantifiable objectives against which they can be judged"* and "***are not sufficient to explain organizational messes** and are extremely limited in providing a model for planning and implementing change in these situations".*

Highlighting the "***alternative ways to address problems"***, *Ackoff's (1993)* contributes to clarify the subject, by considering three distinct approaches:

- ***Resolve*** – "*to select a course of action that yields an outcome that is good enough, that satisfices (satisfies and suffices)*",

- **Solve** – "*to select a course of action that is believed to yield the best possible outcome, that optimizes*", and

- **Dissolve** – "*to change the nature, and/or the environment, of the entity in which it is imbedded so as to remove the problem*".

Senior & Swailes (2010, p.315), rooted on this last concept of "*dissolve*", argue that:

- "*one of the distinguishing features of **organizational messes** is that there is no agreement on what constitutes the problem, let alone what changes are required;*

- *Consequently it is more likely that those involved in these types of situations are looking to challenge not just the means of doing things, but also the purposes and why things are done and even if they should be done at all;*

- *In other words, they are searching for ways to **dissolve** rather than just **solve** problems*".

This means that – distinguishing between "*difficulties*" and "*messes*", which they characterize (table in Figure 41) – *a "**soft**" approach is more appropriate when change is to be applied to "**mess**" situations.*

Difficulties	Messes
• *tend to be smaller scale;* • *are less serious in their implications;* • *can be considered in relative isolation from their organizational context;* • *have clear priorities as to what might need to be done;* • *generally have quantifiable objectives and performance indicators;* • *have a systems/technical orientation;* • *generally involve relatively few people;* • *have facts that are known and which can contribute to the solution;* • *have agreement by the people involved on what constitutes the problem;* • *tend to have solutions of which the type at least is known;* • *have known timescales;* • *are 'bounded' in that they can be considered separately from the wider organizational context and have minimal interactions with the environment.*	• *tend to be larger scale;* • *have serious and worrying implications for all concerned;* • *are an interrelated complex of problems that cannot be separated from their context;* • *have many people of different persuasions and attitudes involved in the problem;* • *have subjective and at best semi-quantifiable objectives;* • *have an absence of knowledge of factors and uncertainty as to what needs be known;* • *have little agreement on what constitutes the problem let alone what might be possible solutions;* • *have usually been around for some time and will not be solved quickly, if at all; bringing about an improvement may be all that can be hoped for;* • *have fuzzy timescales;* • *are 'unbounded' in that they spread throughout the organization and, sometimes, beyond.*

Figure 41 – Senior & Swailes' contrasting characteristics on "difficulties" versus "messes"
Source: Senior & Swailes (2010)

Using ***Paton & McCalman's (2000) TROPICS'*** characterization (table in Figure 42), they argue that

"***asking a number of questions about a change situation*** *may help to identify whether it is likely to involve* ***hard or soft complexity*** *and whether it can, therefore, be seen to be* ***more of a difficulty or more of a mess****."*

Factor	Hard	Soft
Timescales	*clearly defined/ short to medium term*	*ill-defined/ medium to long term*
Resources needed for the change	*clearly identified*	*uncertain*
Objectives	*clearly stated and could be quantified*	*subjective and ambiguous*
Perceptions of the problem and its possible solution	*shared by all*	*No consensus on what constitutes the problem/conflicts of interest*
Interest in the problem	*limited and defined*	*widespread and ill-defined*
Control	*Maintained by the managing group*	*shared with people outside the managing group*
Source of the problem	*originates from within the organization*	*originates from outside the organization*

Figure 42 – "Hard" and "soft" complexity: Paton & McCalman's TROPICS factors
Source: Paton & McCalman (2000)

Referring to ***Organization Development approaches*** – as "*an umbrella term for a set of values and assumptions about organizations and the people within them that, together with a range of concepts and techniques, are thought useful for bringing about long-term, organization-wide change*" – Senior & Swailes (2010) consider it (p. 315) as "***more appropriate to dissolve problems than resolve or solve them***"; thus to address mess situations.

To intervene on Organizational Culture and Values, Leadership, and Employee Engagement domains configures, undoubtedly, a typical "mess" approach; requiring a "soft system model" of change interventions; and being strongly rooted on the Organization Development perspective.

Also, ***important characteristics of the Organization Development specific approach to change***, as highlighted by ***Senior & Swailes (2010)***, must be referred:

- *"It emphasizes goals and processes but with a **particular emphasis on processes** – the notion of **organizational learning as a means of improving an organization's capacity to change**.*

- *It deals with **change over the medium to long term**, that is, change that needs to be sustained over a significant period of time.*

- *It involves **the organization as a whole** as well as its parts.*

- *It is **participative**, drawing on the theory and practices of the behavioural sciences.*

- *It has **top management** support and involvement.*

- *It involves a **facilitator** who takes on the role of a change agent.*

- *It concentrates on planned change but as **a process that can adapt to a changing situation rather than as a rigid blueprint** of how change should be done."*

Before addressing their own vision for the process, they enhance three major significance dimensions: of *people in organizations*, of *organizations as systems*, and of *organizations as learning*.

They highlight the role of OD as a long-term process of facilitation, of change and renewal; operating at all levels of the organization; taking into account the messy nature of many organizational problems; involving distinct perspectives and recognizing organizations as social entities where political, as well as, intellectual responses to change can be expected.

Concerning the "how" question, they cite the Benjamin & Mabey's (1993, p. 181) statement:

*"While the primary **stimulus** for change in organizations remains those forces in the external environment, **the primary motivator for how change is accomplished resides with the people in the organization**."*

So, rooted on Lewin's and building on the Action Research concept, their approach (Figure 43) includes five major stages with a central focus on change facilitation role:

1. ***The Present and the Future:*** a double stage where two intertwined processes develop, in a symbiotic relationship; in order to (a) *diagnose* the current situation and (b) *develop a vision* for change;

2. ***Gain commitment to the vision and the need for change:*** working at the group level of the organization; recognizing the strength of influence of both formal and informal leaders; communicating with individuals as groups; not merely informing people of the vision and the necessity for change, but effectively *"listening to the organization"*. This means to be sensitive, not only to people worries about the way tasks and structures may be affected by the change, but also to 'emotional readiness for change, the quality of existing relationships and the latent commitment to new ways of working';

3. ***Develop an Action Plan:*** beginning the phase of *managing the transition* (from current state to desired state), but also continuing the process of *gaining commitment to the vision* (with an emphasis on *how* that vision can come about). It involves responding to (a) *who* is to guide the planning and, further, the change implementation (change agents role; change responsibility charter), (b) *what* needs to change to achieve the vision, and (c) *where* any intervention should take place;

4. ***Implement the Change:*** proceed with change implementation, according to the previously developed action plan, and *using typical OD tools* in congruence with the change goals;

5. ***Assess and Reinforce the Change:*** assess the extent to which *change has been achieved* (including the behavioural, structural, and contextual dimensions, at individual, group, inter-group, and organizational levels) and *reinforce and consolidate* its essential aspects in order to make them "permanent".
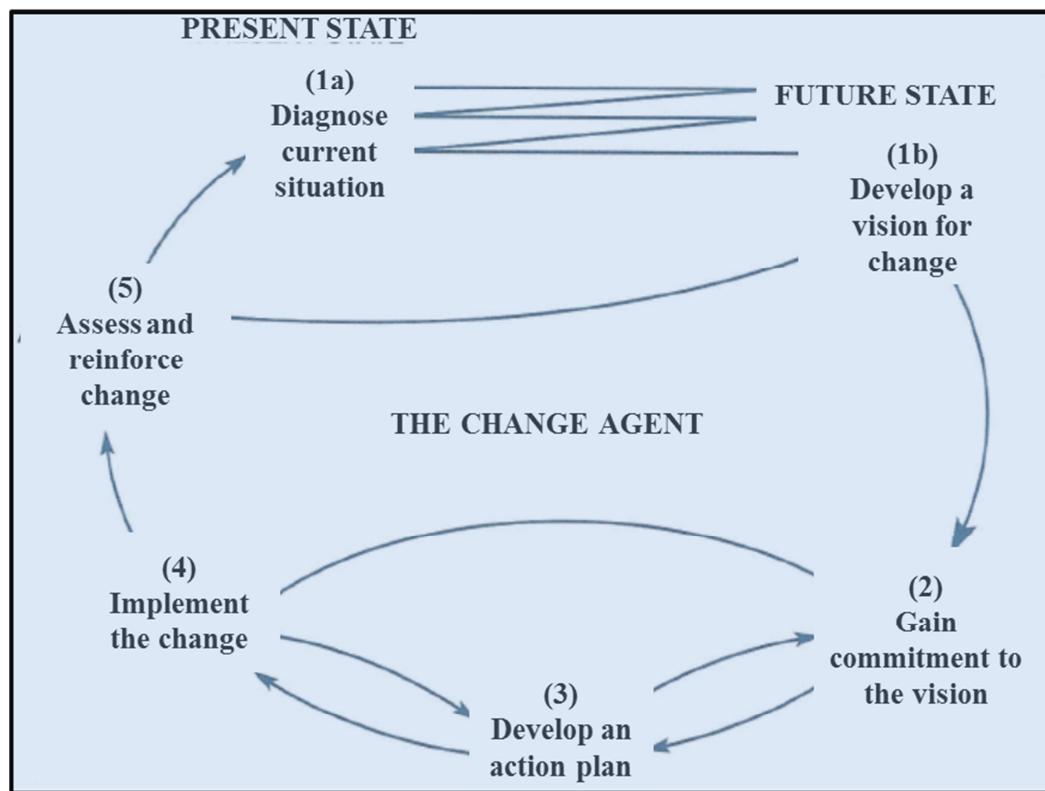
Figure 43 – Senoir & Swailes: The OD model for change
Source: Senior & Swailes (2010)

As evidenced, this process model responds to the "*how question*" (relative to the way to address change) but with a *generic approach.* In fact, it commits to stage 3 the "*collective*" responsibility to define the approach to be taken at stage 4 (where several typical OD tools and techniques can be used, according to the circumstances).

Due to the multitude of its application fields; possible levels of intervention; and to the participative nature which is associated with OD approaches; most models to address "soft" changes are currently less prescriptive than those addressing "hard" organizational dimensions.

3.3.5.2 "Soft" approaches to Organizational Change: two major paradigmatic models

A specific process to address "soft" change within an OD perspective; corresponding to an evolution of Lewin's three-step model widely applied in the past; corresponds to the model developed by *Lippit, Watson, & Westle (1958)*.

As the authors enhance, it has some associated *main difficulties and constraints,* namely:

1. "*The fact that **a client system consists of distinct but related parts** (or persons) introduces a special **difficulty** when we wish to talk about the relationship between the change agent and the client system. On one hand, **the change agent** usually directs his effort toward the improvement **of the entire system**, then, is the client. On the other hand, **the change agent** often is **in direct touch with only, a part of the system**. Thus a change agent who works with a community or an organization must often deal with committees of interested or appointed individuals, not with the entire membership. The same is true in the case of a change agent who is working with a small group or an individual: he may find that although the entire system is physically present parts of it offer him only resistance or mistrust. In short, the change agent often works directly with only a "contracting subpart" of the system, but his objective is to enlarge this contact and influence until he reaches as much of the system as possible. In our shorthand language, we say simply that the change agent works with the client system.*"

2. "*...we have **not tried to sample all types of planned change**. Instead, **we have concentrated primarily upon** problems of change which occur in psychological processes, social relations, interpersonal processes, problem-solving procedures, and processes of social alignment or structure. This **leaves out** a vast swath of change phenomena such as technological change, changing health habits, changing technical skills, changing modes of economic behavior, and the like.*

3. "*...we shall **look only at those planned operations in which there is a voluntary relationship between an external change agent and a client system**. This **excludes** the many change operations which are carried out by administrators within an organizational system - without any contact with an outside helper.*"

However, it is a well-tested model, which has been successfully adapted and adopted along many years by Organization Development consultants and practitioners.

Due to its specificities, some main highlights, taken from the text and using authors own words, are presented below for each step of the process.

> 1. ***Development of a need for change***
>
> 2. ***Establishment of a change relationship***
>
> 3. ***Working toward change – the clarification or diagnosis of the client system's problems***
>
> 4. ***Working toward change – the examination of alternative routes and goals; establishing goals and intentions of action***
>
> 5. ***Working toward change – the transformation of intentions into actual change efforts***
>
> 6. ***Generalization and stabilization of change***
>
> 7. ***Achieving a terminal relationship***

Figure 44 – Lippit's Seven-steps to change
Source: Lippit, Watson, & Westley (1958)

It consists of a seven-step process (see table in Figure 44) with the following essential aspects:

1. ***Development of a need for change ("unfreezing")***

   - *"Before a process of planned change can begin some of the types of problems which create stress or disruption within a system or between a system and its environment usually must be translated into actual 'problem awareness,' that is, into a desire to change and a desire to seek help from outside the system.*

   - *The various subparts of systems at the group level usually evidence different degrees of awareness of the system difficulties, and consequently the total system lacks concerted sensitivity to the problems which may demand change effort and help.*

   - *"There are frequently vested interests in the system, which are motivated to reject or prevent an awareness of serious problems. And there may be communication blockages which inhibit the spread of awareness.*

   - *Moreover, problem awareness is not automatically translated into a desire for change. First there must be at least some confidence in the possibility of a more desirable state of affairs. Any system is likely to face a number of resistances within itself when it comes to setting a level of aspiration for change. This may lead to a defeatist belief that the system is completely incapable of dealing with its*

problems, even though there is a high level of problem awareness within the system.

• *Finally, of course, problem awareness and a desire for change lead to an explicit desire for help from outside the system. But before this can happen, the system, or at least some influential subpart of it, must believe that external help is relevant and available.*

• *Such a belief is by no means to be taken for granted. Frequently there is an awareness of problems and a genuine desire to do something about them, but these are accompanied by resistance to the idea of help from outside. This first or 'unfreezing' phase in the change process usually occurs in one of three different ways in the cases which we have reviewed.*

• *First, a change agent discovers or hypothesizes a certain difficulty in a potential client system and offers his help directly or takes steps to stimulate an awareness of the difficulty in the system.*

• *Second, a third party, connected with both the change agent and the potential client system, becomes aware of the systems difficulty and brings the two together. Third, the potential client system becomes aware of its own difficulty and itself seeks help from an outside source. This is the most common way for the change process to begin."*

2. Establishment of a change relationship

• *"The development of a working relationship with the change agent raises a good many new problems for the client system.*

• *One of the most crucial features of this second phase is the way in which the client system first begins to think about the potential change agent.*

• *Often the client system seems to be seeking assurance that the potential change agent is different enough from the client system to be a real expert and yet enough like it to be thoroughly understandable and approachable. What the client system really wants is two change agents in one. It wants an agent who will identify himself with the client system problems and sympathize with the system needs and values, but who will at the same time be neutral enough to take a genuinely objective and different view of the system's predicament.*

- *Another pitfall which the client system must negotiate in this second phase is the arrival at an understanding about the kind and degree of effort which must be put forth in the collaboration with the potential change agent. The client must not only understand the arrangement but he must at least tentatively agree to it. If the client system is a group, an organization, or a community, this second phase of the change process is likely to raise important organizational or procedural questions within the client system".*

3. ***Working toward change ("moving") – the clarification or diagnosis of the client system's problems***

   - *"One important task which must be undertaken by the client system is to collaborate with the change agent in diagnosing the nature of the client system's difficulties.*
   - *This is likely to raise a number of problems.*
   - *First of all, the change agent needs information.*
   - *As data are collected and analyzed, the problem which seemed simple at first is likely to take on the appearance of an intricate, many-faceted difficulty".*

4. ***Working toward change ("moving") – the examination of alternative routes and goals; establishing goals and intentions of action***

   - *"This is the stage in which the client system translates its diagnostic insights first into ideas about alternative means of action and then into definite intentions to change in specified ways.*
   - *In the process both cognitive and motivational problems are likely to arise.*
   - *It is generally recognized that the client and change agent cannot proceed intelligently in any problem solving endeavor without considering the alternative possibilities of action.*
   - *Even more interesting are the problems of motivation which arise when the client system begins to consider its actual intentions. Among the alternative routes, which route shall be chosen? In most cases this is a specific question which demands a concrete decision, and the decision must be in the nature of an investment emotional as well as material in a certain plan of procedure.*

• *Naturally, problems of motivation – that is, problems of the client system's emotional and material resources – arise. For example, during this phase it often becomes clear for the first time that certain present satisfactions, such as the pleasures of pursuing traditional goals or behaving in accustomed ways, will have to be given up if the change to a more desirable level of performance is to be accomplished. This may serve to intensify the client system's inclination to continue what it has been doing. Another type of motivational problem which is often revealed during this phase of the change process is the client system's anxiety about awkwardness or failure in attempting new patterns of behavior or new procedural techniques. Often these anxieties can be eased by providing ways for the client to test innovations before they are permanently adopted. If the client system is given an opportunity to explore tentatively the consequences of a new functional concept, some of the strangeness wears off and the client acquires confidence in his ability to do what is expected of him.*

• *Unfortunately, too many change relationships are broken off before this phase is reached, so that the client system is often left to cope alone with the diagnoses and recommendations which have been presented by the change agent."*

5. ***Working toward change ("moving") – the transformation of intentions into actual change efforts***

• *"The real success or failure of any change effort, so far as the client system is concerned, is determined by the degree to which the original ineffectiveness or stress within the system is mitigated and functional efficiency is achieved or restored. This means, in effect, that success is measured by the way in which 'plans and intentions are transformed into actual achievements'. The active work of changing is the keystone of the who1e change process.*

• *During this phase the client system faces a number of critical problems. One of the most common is that of eliciting support from the change agent while the movement toward change is beginning. Another problem, of course, is that of securing sympathetic acceptance of the change efforts from the various subparts of the system or from adjacent systems.*

- *Obtaining adequate feedback on the consequences of the change effort may also prove difficult. This is particularly true if the desired change affects primarily relationships external to the system.*

- *In such cases the system may be unable to find out what the results of its change efforts really are, and hence it may not know whether to continue the efforts, modify them, or abandon them altogether.*

- *Sometimes when a client system receives no clear information on the consequences of its change effort it interprets this as a sign of failure and gives up, even though the change effort may in fact be producing precisely the desired effect."*

6. ***Generalization and stabilization of change ("freezing")***

- *"One of the important questions about any process of change is whether or not the change which has been accomplished will remain a stable and permanent characteristic of the system. Too often change which has been produced by painstaking and costly efforts tends to disappear after the change effort ceases, and the system, which wanted to change, slips back instead into its old ways.*

- *One critical factor in the stabilization of change is the spread or non-spread of change to neighboring systems or to subparts of the client system. Usually, however, more direct kinds of positive evaluation and reward are necessary. Confirmation, in other words, must come in the form of objectively significant data. Many systems possess an inherent momentum which tends to perpetuate a change once it has attained a certain state of equilibrium in the system's normal operations.*

- *In effect, this is a process of institutionalization: certain changes tend to endure simply because the system's progressive movement is a stronger force than that of any of its incipient retrogressive tendencies.*

- *Again, procedural change may become stabilized because it is supported by structural change."*

7. ***Achieving a terminal relationship***

- *"Some change agents emphasize the problem of dependency as the major issue of the final phase. If the client system has come to depend heavily upon the change*

agent for support and guidance throughout the processes of diagnosis, change, and evaluation, then naturally the end of the relationship is likely to be a somewhat painful affair.

- *The way in which these problems are solved can be particularly important in determining how effectively the client system will incorporate the desired change into its permanent existence.*

- *Other questions arise too. Has the client system learned problem solving techniques well enough to cope with new and different problems when the change agent is no longer present? Will changes internal to the client system produce unforeseen conflicts with the environment? Will the client system acquire harmful and half understood doubts from other change agents whose conceptions of change are different? And so on. Sometimes we note a special effort to build a substitute for the change agent into the permanent structure of the client system."*

As it can be understood, Lippit, Watson, & Westley's (1958) approach to change addresses its "soft" dimension. However, it has some underlying *assumptions and limitations*:

- The role of "change agent" is, mainly, personified by an external agent (behavioural scientist or consultant) which dialogues with some focal point persons (or structures) within the organization – not configuring neither a role performed by a team, nor by internal members of the organization;

- Beside any usage of powerful diagnostic tools, this way of acting can create potential problems (implying additional efforts) to get a real understanding of the organization, as well as to provide adequate continuity to the change agents work;

- Also, not emphasizing the need for a real "immersion" of the change agents within the organizational fabric, it underestimates the main role that organizationally spread communication and people participation and engagement can play to facilitate change and sustain its achievements.

Another well-tested and widely applied approach corresponds to ***Kotter's (1996) eight stage process on leading change***; often considered as a major evolution of Lewin's three-step model.

Mostly based on his wide business and research personal experience; being sometimes criticised by a lack on referencing outside sources; the model has been also widely applied with success as a major approach to organizational change.

A recent study (Appelbaum, Habshy, Malo, & Shafiq, 2012), which has reviewed, for each of the eight-steps, the most relevant literature published along over 15 years, has

> "*found support for most of the steps, although no formal studies were found covering the entire spectrum and structure of the model*".

Despite highlighting that "*the model has several limitations*" the authors of the study highlight that "*it became an instantaneous success at the time it was advocated and it remains a key reference in the field of change management*".

So, they conclude that "*no evidence was found against Kotter's change management model and it remains a recommendable reference*".

Undoubtedly, this model introduces several useful major recommendations on *leading change*; in contrast with some more traditional *change management* approaches.

It starts to recognize typical past experience errors; building on that experience and thinking strategically (what could be considered as a "double-loop", "generative" reflection) in order to *modify "the governing values" of traditional approaches to organizational transformation.*

As ***main errors***, underlying the failure of main transformational efforts, Kotter enhances:

1. ***Allowing too much complacency***: arguing that transformations always fail to achieve their objectives when complacency levels are high; and claiming for the need to establish a sense of urgency in fellow managers and employees;

2. ***Failing to create a sufficiently powerful guiding coalition***: enhancing that major change requires the head of the organization as an active supporter; and, furthermore, the need for pulling together a group of people with a commitment to improved performance; as a powerful coalition "*in terms of formal titles, information and expertise, reputations and relationships, and the capacity for leadership*";

3. ***Underestimating the power of vision***: highlighting the key role of vision ("*helping to direct, align, and inspire actions on the part of large numbers of people*"); arguing that "*without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible, and time-consuming projects that go in the wrong direction or nowhere at all*"; and referring that "*in many failed transformations, you find plans and programs trying to play the role of vision*";

4. ***Undercommunicating the vision***: enforcing that "*major change is usually impossible unless most employees are willing to help*"; and that "*without credible communication, and a lot of it, employees' hearts and minds are never captured*". Evidencing common patterns of ineffective communication – referring situations like (1) groups developing pretty good transformation visions, but undercommunicating it, and organizational members getting misunderstanding of those new approaches; (2) head of organizations spending considerable time communicating their vision and managers virtually silent, and (3) a considerable effort on effective communication, but with highly visible individuals still behaving in ways that are antithetical to the vision – he argues that **"*nothing undermines change more than behaviour by important individuals that is inconsistent with the verbal communication*";**

5. ***Permitting obstacles to block the new vision***: asserting that the implementation of major change "*requires action from a large number of people*"; and that "*new initiatives fail far too often when employees, even though they embrace a new vision, feel disempowered by huge obstacles in their paths*" (including organizational structures, narrow job categories, compensation or performance appraisal systems, supervisors who refuse to adapt to new circumstances and exhibit inconsistent behaviour, and even "*roadblocks only in people heads*");

6. ***Failing to create short-term wins***: because deep organizational transformations take time; and risk of losing momentum can emerge if "*there are no short-term goals to meet and celebrate*"; creating short-term wins is essential to avoid that "*employees give up or actively join the resistance*";

7. ***Declaring victory too soon***: highlighting that "*after a few years of hard work, people can be tempted to declare victory in a major change effort with the first*

major performance improvement"; which can create a false perception that the "*job is mostly done*"; thus inhibiting that "*changes sink down deeply into the culture*";

8. ***Neglecting to anchor changes firmly in the corporate culture***: enhancing that "*change sticks only when it becomes 'the way we do things around here', when it seeps into the very bloodstream of the work unit or corporate body*"; and stressing that it is important to take into account that "*until new behaviours are rooted in social norms and shared values, they are always subject to degradation as soon as the pressures associated with a change effort are removed*".

So, making a "*conscious attempt to show people how specific behaviours and attitudes have helped improve performance*"; and ensuring that "*the next generation of management really does personify the new approach*"; are important issues on sustaining transformational change, anchoring it within the organizational culture.

Based on the observation of these common mistakes, and arguing that

"*even if an objective observer can clearly see that costs are too high, or products are not good enough, or shifting customer requirements are not being adequately addressed, needed change can still stall because of inwardly focused cultures, paralyzing bureaucracy, parochial politics, a low level of trust, lack of teamwork, arrogant attitudes, a lack of leadership in middle management, and the general human fear of the unknown.*",

Kotter (1996, pp. 20-31) presents the basis of an eight-step approach on "*leading change*", each of which is "*associated with one of the eight fundamental errors that undermine transformation efforts*".

As the author highlights "*the first four steps in the transformation process help defrost a hardened status quo*"; "*phases five to seven then introduce many new practices*"; and "*the last stage grounds the changes in the corporate culture and helps make them stick*". This clearly evidences the process as deeply rooted on Lewin's (1951) *unfreeze* (steps 1-4), *move* (steps 5-7), and *refreeze* (step 8) approach.

Table in Figure 45 depicts the main sequence of those steps.

1. **ESTABLISHING A SENSE OF URGENCY**
   - Examining the market and competitive realities
   - Identifying and discussing crises, potential crises, or major opportunities

2. **CREATING THE GUIDING COALITION**
   - Putting together a group with enough power to lead the change
   - Getting the group to work together like a team

3. **DEVELOPING A VISION AND STRATEGY**
   - Creating a vision to help direct the change effort
   - Developing strategies for achieving that vision

4. **COMMUNICATING THE CHANGE VISION**
   - Using every vehicle possible to constantly communicate the new vision and strategies
   - Having the guiding coalition role model the behaviour expected of employees

5. **EMPOWERING BROAD-BASED ACTION**
   - Getting rid of obstacles
   - Changing systems or structures that undermine the change vision
   - Encouraging risk taking and non-traditional ideas, activities, and actions

6. **GENERATING SHORT-TERM WINS**
   - Planning for visible improvements in performance, or "wins"
   - Creating those wins
   - Visibly recognizing and rewarding people who made the wins possible

7. **CONSOLIDATING GAINS AND PRODUCING MORE CHANGE**
   - Using increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformation vision
   - Hiring, promoting, and developing people who can implement the change vision
   - Reinvigorating the process with new projects, themes, and change agents

8. **ANCHORING NEW APPROACHES IN THE CULTURE**
   - Creating better performance through customer- and productivity-oriented behaviour, more and better leadership, and more effective management
   - Articulating the connections between new behaviours and organizational success
   - Developing means to ensure leadership development and succession

Figure 45 – Kotter's Eight-Stage Process of Creating Major Change
Source: Kotter (1996)

Concerning the model, Kotter enhances *three major relevant aspects to be observed*, namely:

- *The importance of sequence*: highlighting that "*although one normally operates in multiple phases at once, skipping even a single step or getting too far ahead without a solid base almost always creates problems*". So, although people tend to "*invent new*

sequences" or skip steps because of "*pressures to produce*", all steps are relevant and their sequence has an underlying logic.

Although this has been pointed out by some authors as a rigidity on the method (e.g., Burnes (1996) arguing that "*such a prescriptive approach does not correlate well with studies that suggest that organizations prefer to use approaches to change that stems from their culture*") Kotter arguments essence resides on the importance of following an approach which has its pre-requisites that must be observed in that sequence;

- **Projects within projects:** emphasizing that "*most major change initiatives are made up of a number of smaller projects that also tend to go through the multistep process*", being all at different stages, each one playing a role in the overall transformation, and where "*the end result is often complex, dynamic, messy, and scary*".

  This reveals a situation which can be assimilated to a "*soft*" approach to "*mess*" situations, rather than a "*hard*" one (as characterized by Senior and Swailes, 2010);

- **Management versus leadership**: being one of the most significant characteristics of this approach the fact that it is rooted on leadership, as a "*set of processes that creates organizations in the first place or adapts them to significantly changing circumstances*", and on the focal role of the leader, which "*defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles*".

  Within this approach the simple *management* activities (including planning, budgeting, organizing, staffing, controlling, and problem solving), are considered as passive; often maintaining the *status quo*; not being enough to promote active transformations. A strong criticism on this attitude and associated behaviour is quite explicit – explaining it as a syndrome. In Kotter own words:

  - "*Success creates some degree of market dominance, which in turn produces much growth.*

  - *After a while, keeping the ever larger organization under control becomes the primary challenge.*

  - *So attention turns inward, and managerial competencies are nurtured.*

- *With a strong emphasis on management but not leadership, bureaucracy and an inward focus take over.*

- *But with continued success, the result mostly of market dominance, the problem often goes unaddressed and an unhealthy arrogance begins to evolve.*

- *All of these characteristics then make any transformation effort much more difficult.*

- *Arrogant managers can overvalue their current performance and competitive position, listen poorly, and learn slowly. Inwardly focused employees can have difficulty seeing the very forces that present threats and opportunities. Bureaucratic cultures can smother those who want to respond to shifting conditions.*

- *And the lack of leadership leaves no force inside these organizations to break out the morass.*

- *The combination of cultures that resist change and managers who have not been taught how to create change is lethal.*

- *Visions and strategies are not formulated by individuals who have learned only to deal with plans and budgets.*

- *Sufficient time and energy are never invested in communicating a new sense of direction to enough people-not surprising in light of a history of simply handing direct reports the latest plan.*

- *Structures, systems, lack of training, or supervisors are allowed to disempower employees who want to help implement the vision – predictable, given how little most managers have learned about empowerment*”.

Despite some criticism, Kotter's eight-step process – if not observed just as a specific sequence of steps to be executed; but, on its essence, as a main set of critical conditions (“*must dos*”) to achieve sustained transformational change – can be understood as an extremely valuable set of recommendations and requirements towards effective organizational transformations.

So, reading Kotter's (1996) extensive work on Leading Change in this sense – not simply like a rigid and prescriptive text stating “*follow my steps*”, but essentially as an integrated set of requirements and recommendations asserting “*mind you gap*” and

"*watch your steps*" – will allow for a meaningful interpretation; which alerts us to his most significant concerns. In this sense, Kotter's (1996) text can be understood as highly-recomendative, rather than prescriptive.

This discussion between prescriptive and non-prescriptive; procedural (rigid) and non-procedural (flexible) approaches to organizational change is, to some extension, associated with its "*hard*" or "*soft*" perspectives.

But even the more "hard" and compelling visions on the way change is approached can be understood in terms of its underlying principles; thus "removing" its "procedural prescriptions" and "collecting / assimilating" its most relevant requirements and recommendations. So, despite the underlying stepped approach, some major principles and insights can be observed, and exerted.

Boonstra (2004), before considering some main success factors concerning organizational change, refers (p. 463) a ***set of base principles and insights*** (table in Figure 46) which are of most relevance when facing such a challenge.

PRINCIPLES
• *There is no one best way in organizing and changing;*
• *Human beings are motivated by meaningful work;*
• *Organization is a process of interaction;*
• *Participation of stakeholders in changing contributes to involvement and engagement;*
• *Learning is an ongoing process of reflecting and interacting;*
• *Knowledge construction is an ongoing process in which every member has a voice.*
INSIGHTS
• *Concentrate on accelerating diffusion and incorporate practices with positive effect;*
• *Realize genuine participation of all people and actors involved in organizing and changing;*
• *Design and execute methods with genuine collaboration in active and adapted change;*
• *Opt for flexibility rather than mechanistic order in terms of fixed designs or steps;*
• *First, concentrate on design of social systems, and, second, on adaptation of technological systems;*
• *Create a joint and reflective learning process for all participants involved in organizing and changing;*
• *Continually monitor change processes to reflect on the process and the outcomes in order to make conscious decisions on how to advance;*
• *Deliberate the involvement of outsiders and external stakeholders in organizing and changing;*
• *Give strict attention to the horizontal work processes oriented towards clients and customers;*
• *Ensure active, multi-sided communication and dialogue.*

Figure 46 – Success Factors in Organizational Change: Boonstra's main Principles and Insights
Source: Boonstra (2004)

This set of statements are in strict alignment with (and confirm) the current intervention underlying principles, values, and practice orientations.

More recently **Kotter (2014)** – concerned with *the need for integrating constant agility within organizational life* – has introduced **a new set of "basic principles", and "accelerators"**; proposing a "**dual operating system**" which combines "*hierarchies*" with "*networks*".

Building on his previously developed "*eight-step approach*" on "*leading change*"; and enforcing even more the role of Leadership; the author proposes "*a second system that is organized as a network*" which "*powerfully complements rather than overburdens a more mature organizational hierarchy*".

As it will be seen further, it enforces also the role of People; as linking the two subsystems. So, to some extent, the above described Boonstra's (2004) principles and insights are now incorporated into this new vision.

Arguing that "*innovation requires risks, people who are willing to think outside their boxes, perspectives from multiple silos, and more*" and stating that "*management-driven hierarchies are built to minimize risk and keep people in their boxes and silos*"; he points out the need for the development *of new processes* which "*run within the new network structure look less like systematic management (which creates reliability and efficiency) and more like mobilizing leadership (which creates speed and agility).*"

According to the author "*these processes expand on the eight-step method*"; where "*the new network part of a dual operating system takes those steps and turbo-charges them*"; doing so by "*allowing many more people to become active agents of change*"; "*building even more powerful strategic urgency*"; and becoming "*permanent accelerators, creating and maintaining a culture of agility and speed within an organization*".

Characterizing the "*dual operating system*", Kotter (2014) elaborates that:

- "**The basic structure** *is self-explanatory: hierarchy on one side and network on the other.*
- *The* **network side** *mimics successful enterprises in their entrepreneurial phase, before there were organization charts showing reporting relationships, before there were*

*formal job descriptions and status levels. That structure looks roughly like a **constantly evolving** solar system, with a guiding mechanism as the sun, strategic initiatives as planets, and sub-initiatives as moons or satellites. This structure is dynamic: initiatives and sub-initiatives coalesce and disband as needed. This type of network typically morphs all the time and with ease. The network permits a level of **individualism, creativity, and innovation**s that even the least bureaucratic hierarchy, run by the most talented executives, simply cannot provide. Populated with **a diagonal slice of employees from all across the organization and up and down** its ranks, the network liberates information from silos and hierarchical layers and enables it to flow with far **greater freedom and at accelerated speed**.*

- *The **hierarchy part** of the dual operating system differs from almost every other hierarchy. Much of the work ordinarily assigned to it that demands innovation, agility, difficult change, and big strategic initiatives executed quickly has been shifted over to the network part. That leaves the hierarchy less encumbered and better able to perform what it is designed for: doing today's job well, making incremental changes to further improve efficiency, and handling those strategic initiatives that help a company deal with predictable adjustments, such as routine IT upgrades.*

- *The network meshes with the more traditional structure. It is seamlessly **connected to and coordinated** with the hierarchy in a number of ways, **chiefly through the people who populate both systems**.*

- *Still, the **organization's top management plays a crucial role** in starting and maintaining the network. The C-suite or executive committee must launch it, explicitly bless it, support it, and ensure that it and the hierarchy stay aligned. The hierarchy's leadership team must serve as role models for their subordinates in interacting with the network."*

As it can be seen, this new approach enforces the roles of the Leader and of the Individuals, mainly concerning Sponsorship, Engagement and active Cooperation.

For the purpose Kotter (2014:pp. 23-26) explicits a set of **basic principles** to guide a well-functioning dual operating system, namely:

- ***Many people driving important change, and from everywhere, not just the usual few appointees** – arguing that there is a need for **"more eyes to see, more brains to***

think, and more legs to act", including "*additional people, with their own **particular windows on the world** and with their additional **good working relationships** with others, in order to truly* innovate", and strongly asserting that *"two hundred consultants, no matter how smart or dynamic, cannot do the job"*.

This states a strong rule for internal inclusion, engaged participation, and diversity.

- *A "get-to" mindset, not a "have-to" one* – asserting that "***existing people provide the energy***", being "*possible to find many change agents, and from every corner ...if people are **given a choice and feel they truly have permission to step forward and act***"; being essential "*the desire to work with others for an important and exciting shared purpose, and the realistic possibility of doing so*" to emerge people "*volunteer to do so in addition to their normal activities.* "

This represents an explicit reference on the difference that active and engaged individuals empowered to act for the sake of common relevant goals can make for their own organization.

- *Action that is head and heart driven, not just head driven* – with the need to "*appeal to how people feel*", speaking to the "*genuine and fundamental human desire to contribute to some bigger cause, to take a community or an organization into a better future*", giving "*greater meaning and purpose to their efforts*".

This means the relevant role of meanings and human purposes on shaping their future organizational life.

- *Much more leadership, not just more management* – although competent management is necessary to ensure good accomplishment of "*routine task*" (ensuring "*project management, budget reviews, reporting relationships, compensation, and accountability to a plan*"), leadership (which is about "*vision, opportunity, agility, inspired action, passion, innovation, and celebration*") is essential.

This represents the need to have a good balance between management and leadership functions and processes to guarantee continuous and sustained organization development.

- *An inseparable partnership between the hierarchy and the network, not just an enhanced hierarchy* – with the need for the "*two systems, network and hierarchy,*

work as one, with a constant flow of information and activity between them", as an "*approach that succeeds in part because the people essentially volunteering to work in the network already have jobs within the hierarchy*", where "*the dual operating system cannot be, and does not have to be, two super-silos, staffed by two different groups of full-time people*".

This corresponds to the establishment of highly-cooperative relationships between these both sides of the coin, through a common factor: the human factor within the organization, playing their dual role.

For the author, these guiding principles are essential to ensure that the dual system works properly, being the "*action within networks*" the main factor to "*accelerate activity*"; or, as he refers, being "*its basic processes the Accelerators*".

Furthermore, the author refers the intrinsic affinity / similarity with the "*eight steps for leading change*".

Specifically, he refers the *eight Accelerators*, as follows:

1. *Create a sense of urgency around a Big Opportunity* – enforcing Kotter's (1996) first step (Establishing a sense of urgency) with the inclusion of "*as many people as possible, around a Big Opportunity*", being this the "*secret sauce which allows behaviour to happen*".

2. *Build and evolve a guiding coalition* – in strict correspondence with Kotter's (1996) second step (Creating the guiding coalition) in order to widely propagate the sense of urgency to a situation where "*people from across the organization deeply feels the urgency*", getting "*individuals from all silos and levels*", as "*people who want to lead, to be change agents, and to help others do the same*", with the "*intellectual and emotional commitment, the connections, the skills, and the information to be an effective sun in your dynamic new solar system*", working "*together effectively as a large team*", learning how to "*work together in a totally new way*", keeping "*the hierarchy side and the network side to stay strategically aligned*" in order to "*maintain high levels of reliability and efficiency, and to develop a whole new capacity for speed and agility*".

3. ***Form a change vision and strategic initiatives*** – which aligns with "Developing a vision and strategy" Kotter's (1996) step 3, but with a more wide and inclusive guiding coalition which will "*clarify a vision that fits a big strategic opportunity and select strategic initiatives that can move you with speed and agility toward the vision*".

4. ***Enlist a volunteer army*** – using the wide and integrative guiding coalition to "*communicate information about the change vision and the strategic initiatives to the organization in ways that lead large numbers of people to buy into the whole flow of action*", in order to having "*many individuals wanting to help, either with some specific initiative or just in general*". This corresponds to enlarging Kotter's (1996) step 4 (Communicating the change vision) to all employees, being the task done not only by "*using every vehicle possible to constantly communicate the new vision and strategies*" and "*having the guiding coalition role model the behaviour expected of employees*", but essentially using the power of engaged employee-to-employee communication.

5. ***Enable action by removing barriers.*** This enlarges the concept of "*empowering broad-based action*" (step 5 of Kotter, 1996) – where "*getting rid of obstacles*", "*changing systems or structures that undermine the change vision*", and "*encouraging risk taking and non-traditional ideas, activities, and actions*" were the main critical factors – to a new paradigm where "*everyone helping on the network side …works swiftly to achieve initiatives and find new ones that are strategically relevant*", where "*people talk, think, invent, and test, all in the spirit of an agile and swift entrepreneurial start-up …identifying and removing barriers which slow or stop strategically important activity*".

6. ***Generate (and celebrate) short-term wins.*** In line with Kotter's (1996) sixth step, this accelerator "*is about everyone on the network side helping to create an ongoing flow of strategically relevant wins, both big and very small*", ensuring that they "*are as visible as possible to the entire organization and that they are celebrated*". The author enhances the "*great psychological power*" of this in building and sustaining the dual system, highlighting that it "*gives credibility to the new structure*", which

"*in turn promotes more and more cooperation within the overall organization*", changing mindsets and even can "*draw out respect, understanding, and eventually complete cooperation from the most control-oriented managers, who themselves have no desire to be network-side volunteers*".

7. **Sustain acceleration.** This is in strict line with Kotter's (1996) seventh change step (Consolidating gains and producing more change) but within a permanent, ongoing system of change, thus keeping "*the entire system moving despite a general human tendency to let up after a win or two*", finding "*a motor which helps all the other Accelerators keep going*", which is "*the opposite of a one-and-done approach and mindset*".

8. **Institute change.** Similarly to "*anchoring new approaches in the Culture*" (step 8 of Kotter's 1996 approach to change), this accelerator "*helps institutionalize wins, integrating them into the hierarchy's processes, systems, procedures, and behavior*", "*helping to infuse the changes into the culture of the organization*", having "*with more and more changes*" a "*cumulative effect*" which "*drives the whole dual operating system approach into an organization's very DNA*".

Advocating this new dual system, with its "*basic principles*" and "*accelerators*", Kotter (2014) concludes (p. 34), in summary, that:

> "*They provide the energy, the volunteers, the coordination, the integration of hierarchy and network, and the needed cooperation. As they capitalize on opportunities and work around threats, the whole system grows and accelerates*".

Concerning Lewinian approaches to Organizational Change – considering its initial model (Lewin, 1951) and passing, among others, through Lippit, Watson, & Westley's (1958) and Kotter's (1996) approaches, till this new vision for a dual organizational operating systems (Kotter, 2014) – a great progress can be observed.

Many aspects which were latent, but less explicit on the former models, have emerged; being, as referred, highlighted as intrinsic characteristics of most recent approaches.

Considering Organizations as wide alive systems – where deep change is becoming a constant on organizational life, rather than an episodic event – these principles, insights,

and recommendations; as anchors and motors of change-based activities; are essential to contribute to the study and systematization of its set of critical success factors, areas, and dimensions.

3.3.5.3   "Soft" approaches to Organizational Change – Integrating Values

Another important dimension – widely referred by literature as (1) *essential to promote employee's affective commitment* (Howell, Kirk-Brown, & Cooper, 2012), (2) *having strong implications over organizational performance* (Allport, 1954; Fishbein & Ajzen, 1975, 1980; Burke & Litwin, 1992; Alcobia, 2001), (3) *being an essential, integrative, part of organizational culture* (Neves, 2000; Schein, 2009), (4) *making a clear distinction between cultural types* (Cameron & Quinn, 1998), (5) *which can be seen by distinct forms* (Bourne & Jenkins, 2013) and that (6) *can be used as an opportunity* (using it as an engaging basis for organizational transformation) – *is the one associated with Values.*

As previously referred (Bourne & Jenkins, 2013), *the distinct gaps* between *attributed, espoused, shared,* and *aspirational* *values* *must be properly managed on its inconsistencies* (expectation, leadership, and dislocation gaps) in order to promote its alignment.

However, *these gaps can be seen on a double perspective*: either as cultural inconsistency *problems* to be solved; or as *an opportunity to use them to sustain a cultural change process*.

It is this later perspective that is explored here: using *meaningful values* and assimilating them by putting *individuals in groups, across the whole organization; discussing* them and the associated *attitudes* and *behaviours;* thus promoting its *alignment* and *enforcement;* while developing *integrative involvement* and *active engagement*.

Asserting that *differentiation among organizations is mainly rooted on their distinct strategic intents, which are made visible through Mission and Vision*, **Vargas (2005: pp. 182-183)** argues that they determine their *kind of organization and processes*; *strategic, tactical, and operational planning*; and *Culture* (values, believes, and norms).

So, according to the author, its "*strategic intent serves as a basis to the definition of the material (strategy, structure, and processes), and immaterial (values, believes, and norms) dimensions*", where "*organizational values, acting as decision taking criteria, are the main tool available to all hierarchical level managers to manage people on a daily basis*".

Rooted on this statement he highlights the importance of

> "*having a **Value-Based Management process**, which takes in good account the social culture where the organization is immersed, the real **organizational culture** (influenced by the social one, and by their employees' values), and the desired culture in consonance with its **strategic intent***".

This ***process***, which the author deeply describes (:pp. 183-213), includes six *main components*:

1. ***Strategic choice of Values***: *being values the kernel aspects of organizational culture in order to attain the strategic intent of the organization, they shall be in line with Mission and Vision, where top-management plays a major role of responsibility, sponsorship and management of the whole process of culture change, and involving the necessary stakeholders;*

2. ***Operational Definition of Values***: *based on an adequate selection of values, it is necessary to clearly define their precise meaning and specific impact on the daily management activity, including the associated believes, operational norms, and behavioural patterns; which specify what is expected from employees; which usually results on the production of an Organizational Bill of Values. This should be not an isolated internal or external task, but should involve the usage of specific methods to engage all the organization;*

3. ***Values' Diagnosis***: *to be successful there is the need to understand the current values' practices, through the implementation of qualitative, perceptive, measurements, They should address the presence of 'desired values' (strength of the desired culture) and 'antagonist values' (strength of the opposite culture), in order to determine if we are in presence of a 'culture consolidation' or 'culture shock'*

situation. This information is crucial to design all the communication, education, and support systems to be integrated into the change project;

4. ***Communication of the Desired Culture***: *being the most significant step for people engagement; where employees must gain access to the essential concepts to assimilate the meaning of values on the day-to-day of organizational life; as an educational process to 'open the door to a desired future'. The process involves: (1) providing adequate conceptual tools, (2) being 'glocal' (global and, simultaneously, local), (3) choosing the adequate and diversified communication means and channels, (4) communicating emotions, (5) establishing a permanent link with the desired culture, (6) being a role model through practice, (7) explaining all deviancies, (8) continuously evaluating, (9) being persistent, and (10) being flexible*;

5. ***Creation of Desired Culture Support Systems***: *being indispensable to guarantee that the firm becomes a better place to those which follow the desired values (engaging, as a community, all those persons who identify themselves with the firm's culture), the support systems to the desired culture must facilitate this. Having individuals with distinct 'moral development levels', the need to engage together all of them, as 'us', implies the usage of education, coaching, and reward as proper instruments to, together with evaluation, promote the new values' alignment*;

6. ***Leadership Development***: *being organizational ethics the result of the practices allowed by leaders within the organization, and being their main responsibility to manage the team's culture, their preparation, at all hierarchical levels, is a necessary condition to implement a new culture. This preparation must include all dimensions: the alignment with Mission and Vision, conciliating the Material (strategy, its operationalization through structure and processes, and competencies) and Immaterial (values, believes, norms, and attitudes) dimensions, promoting congruent behaviours.*

In summary, the author presents (p. 233) a *global framework of the whole process* (Figure 47), encompassing:

- "*The implementation of four **instruments** of ethics management: Bill of Values, Code of Ethics, Ethics Committee, and Management policies;*

- *Three **systems** to support the desired culture: Education, Coaching, and Reward;*

- *And a central axis which produces regular information concerning the evolution of organizational practices: the **behavioural evaluation** associated with values."*
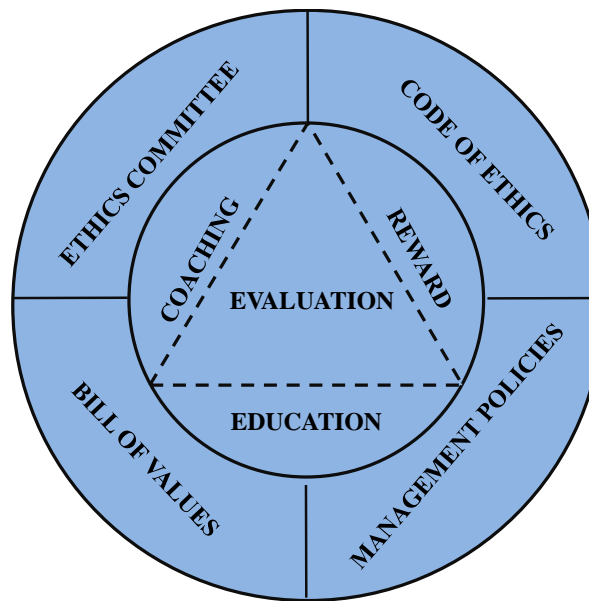
Figure 47 – Integrated Model of Values-based Management
Source: Vargas (2005)

Globally, the system dynamics can be understood, using the author own words, as follows:

- *"**Evaluation** system feeds with information the **Coaching**, **Reward,** and **Education** systems.*
- ***Management Policies** define the **Reward**, **Education**, and **Coaching** systems.*
- *The **Ethical Code** and the **Bill of Values** delimit what should be **Rewarded** or **Punished**, what must be aligned through **Coaching**, and what must be subject of **Educational** programs.*
- *The **Ethical Committee** is the entity who grants that all the system works in harmony, solving problems or discrepancies which may occur within the link among the remaining components."*

Being Vargas (2005) a major source which has inspired the current organizational transformation program; thus in strict alignment with the whole change process which has been followed; it constitutes a main kernel reference for the underlying values-based approach.

3.4   ORGANIZATIONAL RESEARCH METHODS AND PARADIGMS

As any professional activity, doing Organizational Research requires deep knowledge of the Organization (*context*), of the disciplines being worked (*substance*), and of the method to do it (*form*).

So, although not playing a role of a '*research methods researcher*", attention must be given to these aspects.

This is the focus for the next brief analysis concerning Organizational Research.

Researching inside organizations – in particularly *with* change and *about* change – *implies a constant balance* between research objectives and organizational objectives; research methods and organizational ways of "doing things".

Deviance to a pure research interest and method can generate extra, reactive, phenomena which may interfere with those which are object of study – thus compromising its, focus, observation, and results, as well as organizational expectations and commitment.

In extreme situations, research inflexibility and 'fundamentalism' can even compromise the viability / continuity of the research process.

Deviance to the organizational side of interests, capitulating to corporate agendas, power, and influence, can compromise research independence and rigour.

In extreme situations, pressure on time, economics, or vested interests, can drastically affect the research objectives, model, ethics, and validity, and even abort the process itself.

So, tensions are always present and must be continuously managed.

Robson (2011: p.11) highlights a set of distinct researcher's interests, work nature, and typical approaches, *contrasting "real world" versus "traditional academic" researchers* (see table in Figure 48).

REAL WORLD RESEARCHER	ACADEMIC RESEARCHER
Interest is in solving problems	Interest is in gaining knowledge and advancing the discipline
Getting large effects (looking for robust results) and concern for actionable factors (where changes are feasible)	Establishing relationships and developing theory (and assessing statistical significance in quantitative studies)
Almost always works in the 'field' (industry, hospital, business, school, etc.)	Depends on the focus of the research but, in some discipline, mainly in laboratories
Strict time constraints	As long as the topic needs
Strict budget constraints	As much finance as the topic needs (as the work isn't attempted)
Often little consistency of topic from one study to the next	High consistency of topic from one study to the next
Generalist researchers (need for familiarity with range of methods and approaches)	Highly specialist researchers (need to be at forefront of their discipline)
Oriented to client needs (generally, and particularly in reporting)	Oriented to academic peers (generally, and particularly in reporting)
Currently viewed as dubious by many academic researchers	Carries high academic prestige
Need for well-developed social skills	Some need for social skills

Figure 48 – Contrasting relative emphases of 'real world' and 'academic' researchers
Source: Robson, 2011.

Concerning organizational research – in particular within its *social* dimension – this is, undoubtedly, an extreme caricature; trying to put in contrast, as antagonist, two classical dominant views over research practices; enhancing some kind of "*a researcher-versus-practitioner dilemma*".

Choosing a research approach – which must be congruent with the research context, objectives, scope, and characteristics – is the first, critical, step to address it. So, it is important to know in advance the *system of influences which can have an impact over the research*.

Concerning **organizational research**, **Buchanan & Bryman (2007)** assert that the "*choice of research methods, shaped by aims, epistemological concerns, and norms of practice, is also influenced by organizational, historical, political, ethical, evidential, and personal factors, which are typically treated as problems to be overcome*".
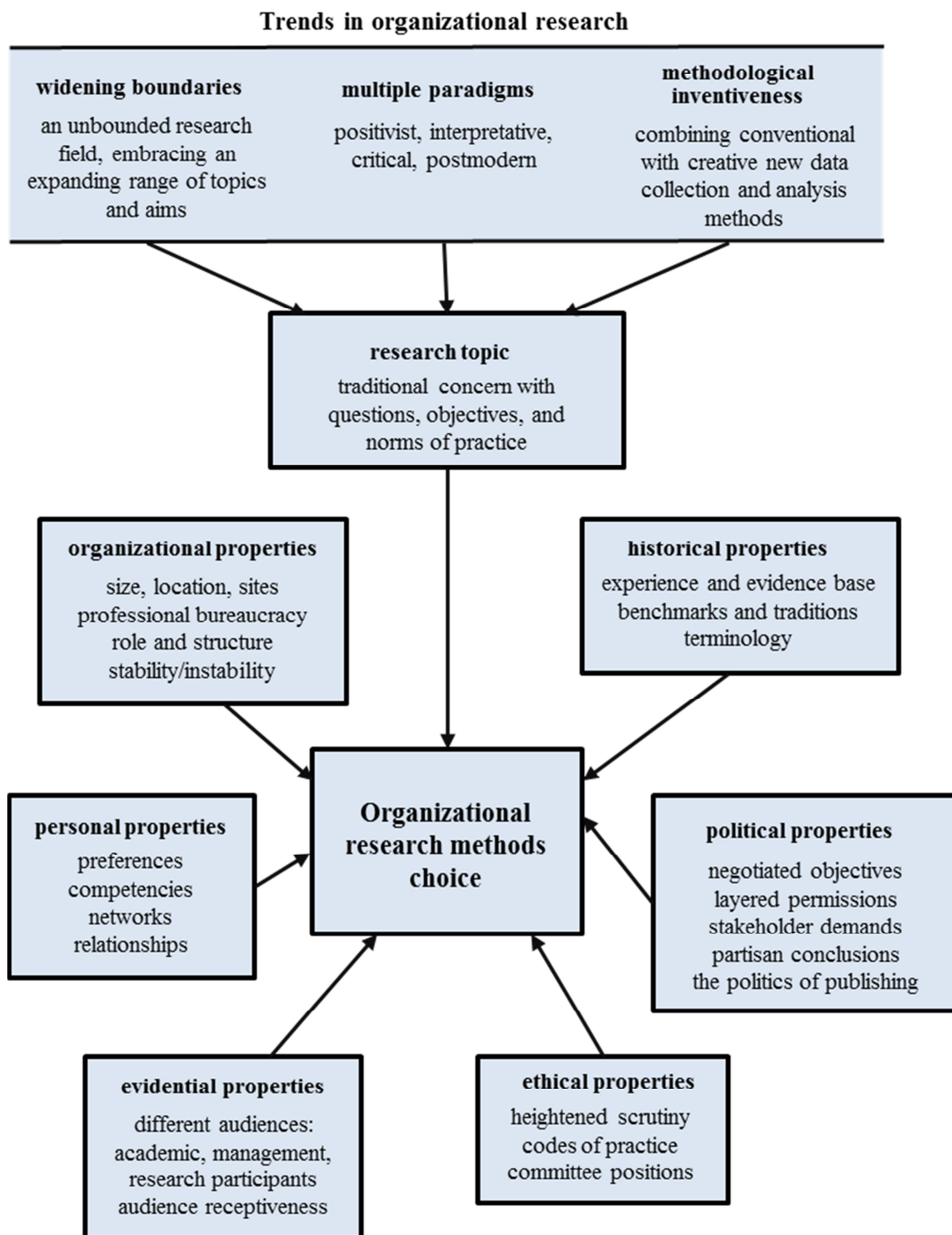
Figure 49 – Buchanan & Bryman's System of influences on choice of organizational research methods
Source: Buchanan & Bryman, 2007.

They summarize (figure 49) that system of influences into the following *main dimensions*:

- *Widening boundaries* – with a wide scope of research topics, and a great diversity of research aims;

- *Multiple paradigms* – spreading from positivist to interpretative discourse;
- *Methodological inventiveness* – combining more conventional traditions with new methods and approaches to conduct organizational research;
- *Organizational properties* – being the logistics of fieldwork influenced by the properties of the focal organization, and with predetermined and inflexible methods being considerate as less appropriate where the organizational context is changing;
- *Historical properties* – with the history of the research field conditioning the decision of the method; with organizational researchers being "*advised to allow past experience, frameworks, conceptualizations, and findings, to influence contemporary choices of research focus and appropriate methods*";
- *Political properties* – engaging researchers in "*political action*s" when "*negotiating research objectives, obtaining permissions to access respondents, aligning with stakeholder groups, and when attempting to publish findings*";
- *Personal properties* – being the study topics highly influenced by the researchers' personal interest; using methods in which they are trained and competent; and with which they feel comfortable.
- *Evidential properties* – having the researcher "*to take into account the potentially conflicting interests and expectations of their academic, managerial, and research participant audiences*"; considering that "*research evidence rarely reveals clear causal links*", and that "*process theories tend to adopt a narrative form, and focus on local causality, rather than seek to identify universal laws linking dependent and independent variables*";
- *Ethical properties* – having organizational research "*attracted an increasing level of ethical scrutiny*", either from academic boards and ethics codes, as well as, from organizational policies and other kinds of restrictions.

Concerning the *multiple paradigms on social research*, namely its *bipolar view*, *Robson (2011)* refers that:

> "*For many years there was a basic choice to be made when carrying out a piece of social research. The two alternatives were known as quantitative and qualitative social research. The quantitative route tried to follow essentially the same research path as researchers in the so-called 'natural' sciences such as physics, chemistry and biology.*

Advocates of qualitative approaches considered that, because the focus of social research is on human beings in social situations, you need a very different approach to the research task.

Human consciousness and language, the interactions between people in social situations, the fact that both researcher and researched are human – and a host of other aspects – all were considered to require, and make possible, a radically different approach to research. Their criticisms of quantitative approaches as a basis for social research were influential, but many social researchers either chose to ignore these criticisms or attempted to come to terms with them rather than abandon quantitative research."

The so called, *last century paradigms' war*, based on a dichotomy of approaches, has radicalized positions between:

- *Quantitative* researchers: claiming that their *number and facts approach was the only way to conduct scientific research*, and,
- *Qualitative* researchers: arguing that *numbers and statistics were no way to understand anything worthwhile about people and their problems*.

Table in Figure 50 summarizes the contrasting view between these two approaches, as highlighted by Robson (2011:pp.18-19).

It evidences this dichotomy in terms of competing values associated with two contrasting extremes:

(1) numerical vs. non-numerical;

(2) hypothetic-deductive vs. inductive;

(3) fixed design vs. flexible design;

(4) generalization (decontextualized) vs. particularization (contextualized);

(5) objectivity vs. subjectivity;

(6) value-free vs. value-laden.

The *quantitative* approach is, often, connoted with *positivism*; being the *qualitative* one primarily associated with *social-construtionism*.

Quantitative	Qualitative
• Measurement and quantification (i.e., turning the information or data obtained into numbers) is central. Accuracy and precision of measurement is sought.	• Accounts and findings are presented verbally or in other non-numerical form. There is little or no use of numerical data or statistical analysis.
• A focus on behaviour (i.e. on what people do or say).	• An inductive logic is used starting with data collection from which theoretical ideas and concepts emerge.
• The scientific approach is adhered to, with the same general principles as natural science.	• A focus on meanings.
• A deductive logic is adopted where pre-existing theoretical ideas or concepts are tested.	• Contexts are seen important. There is a need to understand phenomena in their setting.
• Design of the research is pre-specified in detail at an early stage of the research process.	• Situations are described from the perspective of those involved.
• Reliability (consistency over time and with different observers) and validity (showing they measure what is intended) of measurements are important.	• The design of the research emerges as the research is carried out and is flexible throughout the whole process.
• Detailed specification of procedures is provided so that replication of the study is possible (i.e. it can be repeated so that the findings can be checked).	• The existence and importance of the values of researchers and others involved is accepted.
• Statistical analysis of the data is expected.	• Objectivity is not valued. It is seen as distancing the researcher from participants.
• Generalization of the findings is sought (usually in the form of statistical generizability which requires the sample of participants studied to be representative of some wider population).	• Openness and receptivity of the researcher is valued.
• Objectivity is sought and distance maintained between the researcher and participants.	• The generalizability of findings is not a major concern.
• Standardization is sought in the interests of control and accuracy. This often involves decontextualization (i.e., stripping the situation researched from its context, or ignoring the possible effects of the context). Some artificiality may be needed to achieve the desired standardization.	• It takes place in natural settings. Artificial laboratory settings are rarely used.
• A neutral value-free position is sought.	• Both the personal commitment and reflexivity (self-awareness) of the researcher is valued.
	• It is usually small-scale in terms of numbers of persons or situations researched.
	• The social world is viewed as a creation of the people involved.

Figure 50 – Quantitative versus Qualitative research: typical features

Source: Robson, 2011.

Concerning the **alternative inquiry paradigms**, **Lincoln, Lynham, & Guba (2011),** go substantially deeper on the "*axiomatic nature of research paradigms*", as well as, on the main related practical issues; providing a clear systematization which highlights its specific and distinctive characteristics.

Considering the substantial changes which have emerged on the "*legitimacy*" and "*hegemony*" aspects of the most significant research paradigms, they emphasize an *increasing relevance for postmodern paradigms, and a strong evolution on the participatory paradigm* (Heron & Reason, 1997).

Their taxonomy considers *five main alternative research categories*:

- **Positivism** – Realists, "hard science" researchers*;*
- **Postpositivism** – a modified form of positivism;
- **Critical theory** – "creating change, to the benefit of those oppressed by power" (including Feminism and Race approaches);
- **Constructivism** *(or Interpretivist)* – gaining understanding by interpreting subject perceptions; and
- **Participatory** – transformation based on democratic participation between the researcher and the subject.

On the "*axiomatic nature of the research paradigms*", as "*basic beliefs (Metaphysics)*", they include

(1) the *ontological, epistemological, and methodological* underlying aspects;

(2) additional distinctive characteristics, which evidence the paradigms' positions on selected *practical issues*, and

(3) additional characterizations which they call "*critical issues of the time*".

The table in Figure 51 summarizes, for each of these *characterization aspects*, the *basic concepts and associated questions*.

ASPECT	DEFINITION AND UNDERLYING QUESTIONS
Ontology	• *The worldviews and assumptions in which researchers operate in their search for new knowledge; The study of things that exist and the study of what exists* • ***What is the nature of reality?***
Epistemology	• *The process of thinking. The relationship between what we know and what we see. The truths we seek and believe as researcher.* • ***What is the relationship between the researcher and that being researched?***
Methodology	• *The process of how we seek out new knowledge. The principles of our inquiry and how inquiry should proceed.* • ***What is the process of research?***
Inquiry aim	• *The goals of research and the reason why inquiry is conducted.* • *What are the goals and the knowledge we seek?*
Nature of knowledge	• *How researchers view the knowledge that is generated through inquiry research?*
Knowledge accumulation	• *How does knowledge build off prior knowledge to develop a better understanding of the subject or field?*
Goodness or quality Criteria	• *How researchers judge the quality of inquiry?*
Values	• *What do researchers seek as important products within inquiry research?*
Ethics	• *The interaction and relationship between the researcher and the subject as well as the effect inquiry research has on populations.*
Voice	• *Who narrates the research that is produced? Qualitative approach: The ability to present the researcher's material along with the story of the research subject* • *What is the language of research?*
Training	• *How are researchers prepared to conduct inquiry research?*
Inquirer posture	• *The point of view in which the researcher operates.* • *How does the researcher approach the inquiry process?*
Accommodation	• *What needs are provided by the inquiry research?*
Hegemony	• *The influence researchers have on others.* • *Who has the power in inquiry and what is inquired?*
Axiology	• *How researchers act based on the research they produce also the criteria of values and value judgments especially in ethics.* • *What is the role of values?*
Accommodation and Commensurability	• *Can the paradigm accommodate other types of inquiry?* • *Can the results of inquiry accommodate each other?* • *Can the paradigms be merged together to make an overarching paradigm?*
Action	• *What is produced as a result of the inquiry process beyond the data?* • *How does society use the knowledge generated?*
Control	• *Who dictates how the research is produced and used?*
Relationships to foundations of truth and knowledge	• *Helps make meaning and significance of components explicit*
Extended considerations of validity (goodness criteria)	• *Bringing ethics and epistemology together (the moral trajectory)*
Voice	• *Can include the voice of the author, the voice of the respondents (subjects), and the voice of the researcher through their inquiry?*
Reflexivity	• *The process of reflecting critically on the self as researcher, "the human instrument".*
Postmodern textual representations	• *The approach researchers take in understanding how social science is written and presented to avoid "dangerous illusions" which may exist in text.* • *Whose voices are heard in the research produced through the inquiry process? Whose views are presenting and/or producing the data?*

Figure 51 – Axiomatic Nature of Research Paradigms: definition of Characterization attributes
Source: Lincoln, Lynham, & Guba, 2011.

Considering these main dimensional aspects, the tables in figure 52 summarize the *characterization provided by these authors for the **Participatory research paradigm***.

A: BASIC BELIEFS (METAPHYSICS) OF ALTERNATIVE INQUIRY PARADIGMS

Ontology	• *Participative reality: subjective-objective reality, co-created by mind and the surrounding cosmos.* • *Freedom from objectivity with a new understanding of relation between self and other.* • *Socially constructed: similar to constructive, but do not assume that rationality is a means to better knowledge.* • *Subjective-objective reality: knowers can only be knowers when known by other knowers. Worldview based on participation and participative realities.*
Epistemology	• *Holistic: Replaces traditional relation between 'truth' and 'interpretation' in which the idea of truth antedates the idea of interpretation.* • *Critical subjectivity in participatory transaction with cosmos; extended epistemology of experiential, propositional, and practical knowing; co-created findings.* • *Critical subjectivity: Understanding how we know what we know and the knowledge's consummating relations. Four ways of knowing: (1) experiential, (2) presentational, (3) propositional, and (4) practical.*
Methodology	• *Political participation in collaborative action inquiry, primacy of the practical; use of language grounded in shared experiential context.* • *Use deconstruction as a tool for questioning prevailing representations of learners and learning in the adult education literature; this discredits the false binaries that structure a communication and challenges the assertions of what is to be included or excluded as normal, right, or good.* • *Experiential knowing is through face-to-face learning, learning new knowledge through the application of the knowledge. Democratization and co-creation of both content and method. Engage together in democratic dialogue as co-researchers and as co-subjects.*

B: PARADIGM POSITIONS ON SELECTED PRACTICAL ISSUES

Inquiry aim	• *What is the form and nature of reality and, therefore, what is there that can be known about it? What is the relationship between the knower or would-be knower and what can be known? How can the inquirer ... go about finding out whatever he or she believes can be known about? What is intrinsically valuable in human life, in particular what sort of knowledge, if any, is intrinsically valuable?*
Nature of knowledge	• *Believe knowledge is socially constructed and takes the form in the eyes of the knower rather than being formulated from an existing reality* • *Extended epistemology: primacy of practical knowing; critical subjectivity; living knowledge* • *Experiential participation. Propositional knowing. Subjective-objective reality.* • *Practical knowing is knowing how to do something, demonstrated in a skill or competence.* • *The constructed meanings of actors are the foundation of knowledge. Individual and collective reconstructions sometimes coalescing around consensus.* • *Collective reconstruction coalescing around consensus on meaning of culture.* • *People construct their own understanding of reality.* • *Realities are taken to exist in the form of multiple mental constructions that are socially and experientially based, local and specific, and dependent for their form and content on the persons who hold them.* • *Knowledge is cognitively constructed from experience and interaction of the individual with others and the environment. Subjective and co-created through the process of interaction between the inquirer and the inquired into. Knowledge is socially constructed, not discovered.*

Knowledge accumulation	• *In communities of inquiry embedded in communities of practice.* • *Mind's conceptual articulation of the world is grounded in its experiential participation in what is present, in what there is ... Experiential knowing consists of symbolic frameworks of conceptual, propositional knowing.*
Goodness or quality Criteria	• *Congruence of experiential, presentational, and practical knowing; leads to action to transform the world in the service of human flourishing.* • *Intersubjective agreement and reasoning among actors, reached through dialogue; shared conversation and construction. Trustworthiness and authenticity, including catalyst for action.* • *Credibility, transferability, dependability, and confirmability.*
Values	• *Included, formative.* • *Values are personally relative and need to be understood.*
Ethics	• *Intrinsic: process tilt toward revelation.* • *Included in all aspects of inquiry and examination of culture.*
Voice	• *"Passionate participant" as facilitator of multivoice reconstruction.* • *Facilitator of multivoice reconstruction of culture.*
Training	• *Co-researchers are initiated into the inquiry process by facilitator/researcher and learn through active engagement in the process; facilitator/researcher requires emotional competence, democratic personality, and skills.*
Inquirer posture	• *Primary voice manifested through aware self-reflective action; secondary voices in illuminating theory, narrative, movement, song, dance, and other presentational forms.* • *Can include alternative forms of data representation including film and ethnography.*
Accommodation	• *Incommensurable: Data produced do not have to be from a common unit of measurement. Approaches research with different styles and methods that can produce multiple forms of data.* • *Some accommodation with criticalist and participatory methods of examining culture.*
Hegemony	• *Power is a factor in what and how we know.*

C: CRITICAL ISSUES OF THE TIME

Axiology	• *Practical knowing how to flourish with a balance of autonomy, co-operation and hierarchy in a culture is an end in itself, is intrinsically valuable.* • *What is the purpose for which we create reality? To change the world or participation implies engagement, which implies responsibility. In terms of human flourishing, social practices and institutions need to enhance human associations by integration of these three principles; deciding for others with others and for one's self.*
Accommodation and Commensurability	• *Incommensurable with positivistic forms; some commensurability with constructivist, criticalist, and participatory approaches, especially as they merge in liberationist approaches outside the West.*
Action	• *Intertwined with validity; inquiry often incomplete without action on the part of participants; constructivist formulation mandates training in political action if participants do not understand political systems.*
Control	• *Shared between inquirer and participants.* • *Without equal or co-equal control, research cannot be carried out. Knowledge is an expression of power.*
Relationships to foundations of truth and knowledge	• *Knowledge is founded in transformation and experience as demonstrated through shared research inquiry between the researcher and subject(s).* • *Knowledge is tentative, multifaceted, and not necessarily rational.*
Extended considerations	• *Extended constructions of validity.*

of validity (goodness criteria)	• *Validity is found in the ability of the knowledge to become transformative according to the findings of the experiences of the subjects.*
Voice, reflexivity, postmodern textural representations	• *Voices mixed; textual representation rarely discussed but problematic; reflexivity relies on critical subjectivity and self-awareness.* • *Textural: Must be within the context of who or what (for institutions or organizations) is being studied. The subject(s) voice must be present in the research.*

Figure 52 – Axiomatic Nature of Research Paradigms: Participatory Research Characterization
Source: Lincoln, Lynham, & Guba, 2011

Besides enhancing these contrasting differences, the authors preserve the fact that "*the various paradigms are beginning to interbreed*", and that "*inquiry methodology can no longer be treated as a set of universally applicable rules or abstractions*".

Action Research – with its Ontological, Epistemological, and Methodological "*basic believes*", Inquiry Aims, Nature of Knowledge, Values, Ethics, Voice, and Inquirer posture – fits clearly within the classification of *Participatory Research*.

3.5   THE ACTION RESEARCH PARADIGM

Having previously focused on *Action Research* from a planned change angle, it is now important to address it from a *research methods perspective*.

Combining Research with Change – or, as **Coghlan & Brannick (2010)** stress, "*doing research in action, rather than research about action*" – Action Research must be seen by two complementary lenses:

- a *paradigm for approaching Organizational Change* (for Organization Development and Change theorists and practitioners), and
- a *specific research in action paradigm* (from the point of view of research methods scholars).

In fact, this approach conciliates both aspects by *combining research and action within organizational settings*; based on solid theoretical knowledge, applying it in congruence with organizational objectives, promoting change, and getting new knowledge.

As **McKay & Marshall (2007)** refer, it is, indeed, "*driven by two masters, serving both*".

As a "*form of self-reflective problem solving which enables practitioners to better understand and solve pressing problems in social settings*" (**McKernan, 1988**) it promotes a "*systematic inquiry that is collective, collaborative, self-reflective, critical, and undertaken by the participants of the inquiry*" (**McCutcheon & Jung, 1990**).

It "*builds descriptions and theories within the practice context itself, and tests them there through intervention experiments – that is, through experiments that bear the double burden of testing hypotheses and effecting some (putatively) desired change in the situation*" (Argyris & Schon, 1989).

It integrates a "*spiral in which each cycle increases the researchers' knowledge of the original question, puzzle, or problem and, it is hoped, leads to its solution*" (Kemmis, 1982).

Both interleaving dimensions – of *change* and *research* – cannot be dissociated, and exhibit a set of common characteristics.

But, despite this set of common characteristics, there still persists a large spectrum of "***distinct intellectual traditions***" under a global denomination of Action Research.

Herr & Anderson (2005) refer, as more common ones:

> "*Participatory action research (PAR); practitioner research; action science; collaborative action research; cooperative inquiry; educative research; appreciative inquiry; emancipator praxis; community-based participatory research; teacher research; participatory rural appraisal; feminist action research; feminist, antiracist participatory action research; and advocacy activist, or militant research*".

Mainly, they differentiate from each other by its research's purpose area, positionality, and social contexts; being some of them strongly connoted with special, including minority, group traditions.

Within this panoply of approaches it is important to define (delimit) the set of characteristics associated to the *kind of Action Research* that was undertaken, as well as its *major underlying principles*.

One of its fundamental references is provided by ***Shani & Pasmore's (1982)*** widely accepted definition for this research paradigm.

They consider it an "*evolving change process which is undertaken in a spirit of collaboration and co-inquiry*", and detail a set of key characteristics for a process to be considered as Action Research (Figure 53).
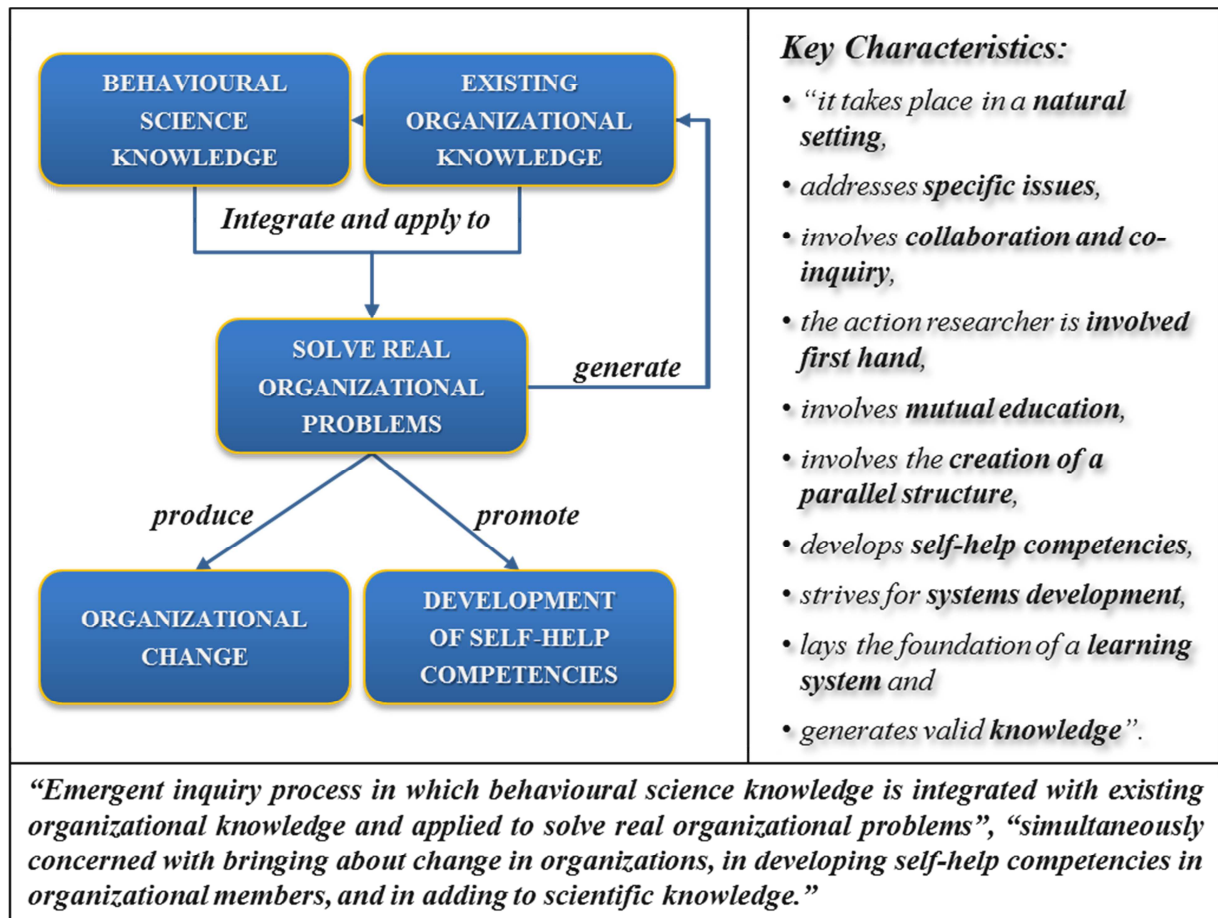
Figure 53 – Action Research: Shani & Pasmore's Definition and key characteristics
Source: adapted from Shani & Pasmore (1982)

They also highlight a set of four major "interrelated factors / processes" affecting the Action research process, which Coghlan & Brannick (2010) summarize (table in Figure 54).

Context	*These factors set the context of the action research project. Individual goals may differ and impact the direction of the project, while shared goals enhance collaboration. Organizational characteristics, such as resources, history, formal and informal organizations and the degrees of congruence between them, affect the readiness and capability for participating in action research. Environmental factors in the global and local economies provide the larger context in which action research takes place.*
Quality of relationships	*The quality of relationships between members and researchers is paramount. Hence the relationships need to be managed through trust, concern for others, equality of influence, common language and so on.*
Quality of the action research process itself	*The quality of the action research process is grounded in the dual focus on both the inquiry process and the implementation process*
Outcomes	*The dual outcomes of action research are some level of sustainability (human, social, economic, ecological) and the development of self-help and competencies out of the action and the creation of new knowledge from the inquiry.*

Figure 54 – Major Factors which affect the Action Research process
Source: Shani & Pasmore (1982), as summarized by Coghlan & Brannick (2010)

Citing ***Gummesson (2000)***, Coghlan & Brannick (2010) also highlight some important additional characteristics of Action Research (table in Figure 55). They provide a better understanding of the kind of *tradition* to which the current research adheres.

Action researchers take action. *Action researchers are not merely observing something happening; they are actively working at making it happen.*

Action research always involves two goals: solve a problem and contribute to science*. As we pointed out earlier, action research is about research in action and does not postulate a distinction between theory and action. Hence the challenge for action researchers is both to engage in making the action happen and to stand back from the action and reflect on it as it happens in order to contribute theory to the body of knowledge.*

Action research is interactive. *Action research requires cooperation between the researchers and the client personnel, and continuous adjustment to new information and new events. In action research, the members of the client system are co-researchers as the action researcher is working with them on their issue so that the issue may be resolved or improved for their system and a contribution be made to the body of knowledge. As action research is a series of unfolding and unpredictable events, the actors need to work together and be able to adapt to the contingencies of the unfolding story.*

Action research aims at developing holistic understanding during a project and recognizing complexity. *As organizations are dynamic socio-technical systems, action researchers need to have a broad view of how the system works and be able to move between formal structural and technical and informal people subsystems. Working with organizational systems requires an ability to work with dynamic complexity, which describes how a system is complex not because of a lot of detail (detail complexity) but because of multiple causes and effects over time.*

Action research is fundamentally about change. *Action research is applicable to the understanding, planning and implementation of change in groups, organizations and communities. As action research is fundamentally about change, knowledge of and skill in the dynamics of organizational change are necessary.*

Action research requires an understanding of the ethical Framework, values and norms within which it is used in a particular context*. In action research, ethics involves authentic*

relationships between the action researcher and the members of the client system as to how they understand the process and take significant action. Values and norms that flow from such ethical principles typically focus on how the action researcher works with the members of the organization.

Action research can include all types of data gathering methods. *Action research does not preclude the use of data gathering methods from traditional research. Qualitative and quantitative tools, such as interviews and surveys, are commonly used. What is important in action research is that the planning and use of these tools be well thought out with the members of the organization and be clearly integrated into the action research process.*

Action research requires a breadth of pre-understanding of the corporate or organizational environment, the conditions of business or service delivery, the structure and dynamics of operating systems and the theoretical underpinnings of such systems. *Pre-understanding refers to the knowledge that the action researcher brings to the research project. Such a need for pre-understanding signals that an action research approach is inappropriate for researchers who, for example, think that all they have to do to develop grounded theory is just to go out into the field.*

Action research should be conducted in real time, though retrospective action research is also acceptable. *While action research is a live case study being written as it unfolds, it can also take the form of a traditional case study written in retrospect, when the written case is used as an intervention into the organization in the present. In such a situation the case performs the function of a 'learning history' and is used as an intervention to promote reflection and learning in the organization.*

The action research paradigm requires its own quality criteria. *Action research should be judged not by the criteria of positivist science, but rather within the criteria of its own terms.*

Figure 55 – Gummesson's Major characteristics of Action Research
Source: Gummesson (2000), cited in Coghlan & Brannick (2010)

Being the current approach deeply based on *communication* and *participation*; promoting *inclusive relationships* within the organizational community; a special reference must be done to this essential topic.

Stringer (1996), focusing on **community-based action research** as "*a collaborative approach to inquiry or investigation that provides people with the means to take systematic action to resolve specific problems*", enhances that it "*favours consensual and participatory procedures that enable people (a) to investigate systematically their problems and issues, (b) to formulate powerful and sophisticated accounts of their situations, and (c) to devise plans to deal with the problems at hand*".

From a values / ethics perspective, he highlights that it

"*focuses on methods and techniques of inquiry that take into account people's history, culture, interactional practices, and emotional lives*", being "*a more user-friendly approach to investigation than most*".

Concerning the "*cultural style of action research*" he argues that

"*traditional approaches (including the 'scientific method') often involve an adversarial or authoritarian style that reflects the cultural ethos of competition and achievement endemic in modern societies*";

contrasting it with community-based action research which

"*seeks to change the social and personal dynamics of the research situation so that it is non-competitive and non-exploitative and enhances the lives of all those who participate*"; building "*positive working relationships and productive interactional and communicative styles*".

Considering *organizations as communities of persons*, these principles are of most relevance for organizational research: creating open collaborative environments where people cooperation and well-being are major foundations to reach sustained improvements.

For Stringer (1996) "*the role of the researcher is not that of an expert who does research, but that of a resource person*"; as he becomes "*a facilitator or consultant who acts as a catalyst to assist stakeholders in defining their problems clearly and to support them as they work toward effective solutions to the issues that concern them*".

Asserting that "*community-based research seeks to develop and maintain social and personal interactions that are non-exploitative and enhance the social and emotional lives of all people who participate*", he strongly advocates a set of *working principles* for the community (table in Figure 56).

DIMENSION	ESSENTIAL CHARACTERISTICS	KEY CONCEPTS
RELATIONSHIPS	Should: • Promote feelings of *equality* for all people involved • Maintain *harmony* • *Avoid conflicts,* where possible • *Resolve conflicts* that arise, openly and dialogically • *Accept* people as they are, not as some people think they ought to be • Encourage *personal, cooperative relationships,* rather than impersonal, competitive, conflictual, or authoritarian relationships • Be *sensitive* to people's feelings	equality, harmony, acceptance, cooperation, sensitivity
COMMUNICATION	In effective communication, one: • Listens *attentively* to people • *Accepts* and acts upon what they say • Can be *understood* by everyone • Is *truthful and sincere* • Acts in socially and *culturally appropriate* ways • Regularly *advises* others about what is happening	attentiveness, acceptance, understanding, truth, sincerity, appropriateness, openness
PARTICIPATION	Is most effective when it: • Enables significant levels of active *involvement* • Enables people to *perform* significant tasks • Provides *support for* people as they learn to act for themselves • Encourages plans and activities that people are able to *accomplish* themselves • Deals *personally* with people rather than with their representatives or agents	involvement, performance, support, accomplishment, personalization
INCLUSION	Involves: • Maximization of the involvement of *all* relevant *individuals* • Inclusion of *all groups* affected • Inclusion of *all* relevant *issues - social,* economic, cultural, political – rather than a focus on narrow administrative or political agendas • Ensuring *cooperation* with other groups, agencies, and organizations • Ensuring that all relevant groups *benefit* from activities	individuals, groups, issues, cooperation, benefit

Figure 56 – Community-based Action Research: Stringer's Working Principles
Source: Stringer (1996)

Citing Habermas (1979), who suggested that

"*positive change originates from communicative action – the capacity for people to work through disagreements to achieve effective solutions to problems*",

he enhances that:

"*Where people feel **acknowledged, accepted, and treated with respect**, their feelings of worth are enhanced and the possibility that they will **contribute actively to the work of the group is maximized**"*.

As a final message on these principles, *strongly rooted on ethics and values*, it is also important to highlight Stringer's (1996) deep beliefs:

> "*At every stage of their work, research facilitators should ensure that procedures are in harmony with these guidelines, constantly checking that **their actions promote and support peoples' ability to be active agents in the processes of inquiry**. The underlying **principle** here is that **human purposes** are at least as important as technical considerations*".

Considering values as "*an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence*" (Rockeach, 1973), these principles incorporate into practice the core values of Organization Development; founded on a humanistic perspective of the Organization.

Anderson (2010) dedicating a special chapter to the "*Core Values and Ethics of Organization Development*" (pp. 37-56) highlights why they are so important for OD professionals; what are their essential aspects; and, even, appends an integral transcription of a "*Statement of Ethical Guidelines for Practice for OD-HSD (Organization Development-Human Systems Development)*" from Gellermann, Frankel, & Ladenson (1990).

Discussing important aspects of OD – including "*participation, involvement, and empowerment*"; "*the importance of groups and teams*"; "*growth, development, and learning*"; "*valuing the whole person*"; and "*authenticity, openness, and trust*" – he evidences two important foundational aspects on the subject.

By its special meaning – as a ***paradigmatic shift*** on the way we approach organizations (***Tannenbaum & Davis, 1969***; table in Figure 57); and as a clear evidence of ***humanistic values*** (***Margulies & Raia, 1972***; table in Figure 58) – both references were included here, as a *statement of principles guiding our attitude along the intervention which has been developed.*

Away from ...	Toward ...
A view of people as essentially bad	A view of people as essentially good
Avoidance of negative evaluation of individuals	Confirming them as human beings
Seeing individuals as fixed	Seeing them as being in process
Resisting and fearing individual differences	Accepting and utilizing them
Utilizing an individual primarily with reference to his or her job description	Viewing him or her as a whole person
Wailing-off the expression of feelings	Making possible both appropriate expression and effective use
Game-playing	Authentic behaviour
Use of status for maintaining power and personal prestige	Use of status for organizationally relevant purposes
Distrusting people	Trusting them
Avoidance of risk taking	Willingness to risk
View of process work as being unproductive effort	Seeing process work as essential to effective task accomplishment
Primary emphasis on competition	Greater emphasis on collaboration

Figure 57 – Organization Development as a shift on Values
Source: Tannenbaum & Davis (1969)

1. Providing opportunities for people to function as human beings rather than as resources in the productive process.

2. Providing opportunities for each organization member, as well as for the organization itself, to develop to his [or her] full potential.

3. Seeking to increase the effectiveness of the organization in terms of *all* of its goals.

4. Attempting to create an environment in which it is possible to find exciting and challenging work.

5. Providing opportunities for people in organizations to influence the way in which they relate to work, the organization, and the environment.

6. Treating each human being as a person with a complex set of needs, *all* of which are important in his [or her] work and in his [or her] life.

Figure 58 – Organization Development Humanistic Values
Source: Margulies & Raia (1972)

These were the main guidelines for Action Research which have been followed along the current research in action program: in line with the perspectives of Shani & Pasmore (1982), Gummesson (2000), Coghlan & Brannick (2010), and Stringer (1996) here presented.

4 CHANGE DESIGN AND DEVELOPMENT

• ORGANIZATIONAL CONTEXT			
CHANGE CYCLES	**FIRST OD CYCLE** – *SETTING THE STRATEGIC GROUND*	ORGANIZATIONAL DIAGNOSIS	▪ Reference Model
			▪ Process
			▪ Main Results
			▪ Organizational Values' Definition
			▪ Organizational Diagnostic Main Conclusions
		INTERVENTION PROGRAM – MAIN STAGES	▪ Organizational Diagnosis
			▪ Services' Culture Workshop
			▪ Preparation of the Change Agents' Team
			▪ Communication Plan preparation
			▪ Leadership Training – Module I
			▪ Learning Meetings' Cycles
			▪ Presentation of Improvement Proposals
			▪ Proposal Selection and Decision
			▪ Leadership Training – Module I
			▪ Program Evaluation
	SECOND OD CYCLE – *DEVELOPING EMERGENT STRUCTURAL ACTIONS*	▪ IT Communication and IT Portal	
		▪ IT Academy	
		▪ IT Process Improvement – CMMI for Development Certification	
		▪ IT Tools – Integrated Solution for Project Management	
EVALUATION CRITERIA	▪ **Organizational Change Evaluation Criteria**		
	▪ **Research Evaluation Criteria**		
	▪ **Researcher's individual (First-person) Learning**		
ORGANIZATION DEVELOPMENT RESULTS AND ACHIEVEMENTS	▪ **Organizational Culture and Values**		
	▪ **Leadership Practices**		
	▪ **Employee Engagement and Participation**		
	Second OD Cycle – Main Actions' Results	▪ IT Communication and IT Portal	
		▪ IT Academy	
		▪ IT Process Improvement – CMMI for Development Certification	
		▪ IT Tools – Integrated Solution for Project Management	

Having previously highlighted the research meaning and directions; and detailed the most relevant aspects associated with strategic positioning, intervention domains, organization development and change, and organizational research approach, and method; ***the current chapter develops the essential aspects concerning the change intervention.***

It includes the (1) organizational context, (2) the work which has been developed, (3) its evaluation criteria, and (4) main results and achievements.

4.1 ORGANIZATIONAL CONTEXT

The current set of interventions has been developed and implemented within the IT Unit of a major Portuguese Bank which is responsible for the provision of global IT application development and services to the entire Group.

In the past, the Bank had been subject of a major merger of two main financial institutions; both very relevant to the Portuguese Banking System, and with very different historical background and progressions.

Their original organizational cultures – either concerning the market approach, service, and employee management – were also quite different.

Within the context of the IT areas the merge had occurred through a progressive departmental integration of teams from the original institutions into a new IT structure.

Although some socialization training actions had been conducted at institutional level, there was no formal and visible socialization strategy and plan emerging from a structured definition of actions towards a new global organizational culture.

The integration of hardware, software, and base services platforms, as well as of operational processes, had been planned and quickly implemented with a significant success; but the individual, group, and organizational dimensions took a long time and an informal path till its integration.

Working practices were quite different, with one organization (older) being more oriented to routine processes, and the other (younger) more project and innovation oriented.

Concerning people management – including leadership and individual employee management processes – both institutions had also different practices.

The policies and processes of people management from the acquiring institution had been prevalent, as a standard for the whole institution.

They point out to a global principle of *direct hierarchy* responsibilities; with a *decentralized* role; *controlled* along all the hierarchical chain; and with a common set of *centrally defined management support processes*.

Along time these common management processes, practices, and instruments have been adopted and, progressively, accommodated within the new organization by all its members.

The IT Unit had, internally, about 500 employees.

It provided, mainly, application development, global services, and infrastructure management to the entire Bank; having, on the domain of the infrastructures, a structured outsourcing contract with a main international IT provider.

The external company which delivers these services had been set-up, under the management of this contractor, on the basis of former employees of the Bank which have been temporarily transferred to the firm. Although some distantiation exists (due to being subject to a proper independent management), those former employees still feel some organizational affinity link with the Bank.

Concerning application development (including its conception, design, and maintenance), and internal customer support services (involving relationship management, help desk, and global IT service support), most products and services were, mainly, internally developed and controlled, but in some cases using limited external service providers.

Common processes and instruments have been set-up in order to measure and improve internal and external quality and satisfaction; in line with the standard organizational policies and practices; including Customer surveys and Employee's surveys. These instruments have demonstrated to be good sources to identify and implement, specific, regular, and isolated actions, concerning product, service, and process improvement. They have also allowed the IT organizational unit to identify a specific need for a more "soft", cultural improvement approach; based on internal customers' and employees' perceptions about organizational functioning and service levels. *Among others aspects, it has been clearly identified a special need for leadership training within the IT Unit* in order to harmonize and align distinct organizational practices; and also some *improvement requirements targeting customer orientation and employee engagement*.

In fact, the setting of common artifacts (mostly visible by a global organizational structure, standard rules definition, and associated processes) was not sufficient to promote the necessary organizational integration and development.

In particular – *within an organization which should engage on common objectives about 500 employees*; communicating *across* organizational silos and, not less important, with their customers and external providers; in order to provide critical business support products and services – the *establishment, and continuous improvement, of common values, attitudes, behaviours, and effective practices' alignment was a critical factor.*

So, as clearly evidence by the analysis of the regular Customer and Employee Satisfaction surveys, there was a clear "crisis" situation concerning these main aspects, with a strong negative impact over the internal "working conditions" and "service quality".

This has been the *main decisional trigger* for the intervention.

As previously mentioned the Bank's Executive Board was deeply aware of the situation, its impacts and the urgency to promote this deep transformation.

Particularly, the Board member which was simultaneously responsible for the Information Systems and Technology (CIO) and for the Bank´s Operations (COO) functions has deeply sponsored the investment on such a transformation program (entitled as "Changing IT"), being directly involved in its main milestones – including in formal sessions and main decisional points, as well as quite visible enforcing the change's message, in the IT Global Division annual plenary meetings where the program has been deeply presented and discussed with all the IT Unit Employees.

So, a proper, formal, program has been established, being *set-up, managed, and implemented by* an internal team supported by external consultants, coordinated with the IT management team, facilitated by a Change Agents Team, and sponsored by the CIO of the Bank, and deeply engaging the IT top-level management team.

The researcher has been nominated as the *Program Manager*, assuming an *independent internal positionality* in a *global coordinating role*, with the main mission or *articulating all the organizational stakeholders 'efforts* (internal and external to the IT Unit) in order to reach the program objectives, and particularly to guarantee *all stakeholders communication, participation, engagement, and proactive independent action,* thus optimizing their contribution to organizational improvement.

4.2 CHANGE CYCLES

As already mentioned the Action Research intervention has integrated two major organization development cycles; being the first one related to *ground preparation and strategy determination*, and the second devoted to a *coordinated implementation of strategic actions*.

Both cycles are now detailed, in terms of main actions.

4.2.1 First OD Cycle – Setting the Strategic Ground

According to the *proposed objectives* for the program, the IT Unit intended (on a 1st cycle of intervention) to promote a service oriented culture – facilitating strategic actions implementation and targeting the preparation for future initiatives – including:

- the improvement of customer satisfaction levels and, simultaneously, developing its internal reputation and customer affinity;
- the simplification and rationalization of internal processes;
- a better, more effective, cost controlled, optimized activity prioritization process, and a reduction of internal transaction costs.

It was necessary to develop a major change program, with a *holistic approach to organizational transformation;* developing the basis for a new service *culture;* promoting *leadership* development and alignment; and *engaging all employees* on these common goals.

There was a strong conviction – both at management and at employee level – that acting on processes, tools, and systems was a necessary condition, but not sufficient to promote significant organizational improvements.

The change program should, mainly, target individual, group, and organizational behavioural *transformations,* which should be:

- *comprehensive* – encompassing all IT Unit individuals and groups;
- *aligned* – providing a common active response congruent with the desired culture;
- *sustained* – internalized to an extent to be self-enforced along time.

So, it would be crucial to reach a successful implementation of critical tasks – along a well-structured, customized, change program – requiring:

- the clear characterization of the existing organizational culture; using a wide vision which would, necessarily, include some critical dimensions, such as definition of objectives, existing values, leadership practices, and information flows;

- the definition and development of a new desired culture;

- the analysis of *gaps* between the current culture and the desired culture; engaging together all IT organizational leaders, as well as all employees;

- the promotion of emotionally engaging communication actions involving all individuals;

- a recurring discussion (along time) on service best practices; through learning meetings which promote a real involvement of all employees;

- the development of competencies to support and enforce behavioural changes aligned with the desired culture (including leadership, coaching, and team member competencies' development).

The program – named as *Changing IT* – has started with an initial Diagnostic stage, where, through a proper questionnaire (Organizational Culture Assessment Instrument, Cameron & Quinn, 1998), it has been possible to obtain a "*picture*" of the current organizational culture (based on the perceptions of all employees), as well as, an image of the desired culture.

Also, in order to obtain the characterization of the current culture, and associated problems, it has been developed a set of focus group session with IT employees, as well as semi-structured interviews with main customer representatives (top-management responsible from most significant user units).

These actions, based on the definition of *a new organizational vision*, have allowed for a proper identification of existing gaps and associated problems; thus providing a good basis to tailor the intervention.

The program was started in the last quarter of 2008; being most actions developed along 2009, and evaluated during the first quarter of 2010. It has been *set-up, managed, and implemented by* an internal team; supported by external consultants; coordinated with the IT management team; facilitated by a Change Agents Team; and sponsored by IT top-level management; being *communication, engagement, action, and improvement* their *most relevant attributes*.

So, *a "guiding coalition" has been structured as a multidimensional, multidisciplinary, and integrative set of groups dynamically interacting with each other*; with proper roles, and contributing to a common transformational goal.

4.2.1.1   Intervention Program – main stages

As already mentioned, the intervention program has followed a typical three-stage structure, including diagnostic, intervention, and evaluation.

It has integrated the following (figure 59) *main stages*:

1. *Diagnostic* – characterization of the current and desired culture, inherit gap analysis, and action determination (intervention design and plan);

2. *Service Culture Workshop* – full-day small group sessions; integrating all employees ("inspiring for change"); discussing and inducing values, attitudes, and behaviours aligned with the new culture;

3. *Preparation of a Change Agents Team* – training them to assume a specific change facilitation role on the conduction of open communication bottom-up meetings centred on specific subjects associated to the change;

4. *Launching of the Project's Site and associated communication tools* – segmenting messages, developing proper positioning, and using appropriate communication channels; developing a structured communication plan to enforce the engagement message; a proper program site, and a set of synchronised newsletters; emphasizing participant testimonials (positive feedback / feed-forward);

5. *Leadership Training (Module I)* – covering critical aspects of the development of Leadership Competencies concerning the individual action toward employees;

6. *Conduction of five thematic cycles of Learning Meetings* – involving all employees, on small heterogeneous groups, in short duration facilitated sessions; developing group learning through the usage of hypothetical-real case discussion; and analysing aspects associated with problem identification, causes, and proposal of proactive solutions;

7. *Presentation of improvement proposals to Top Management* – as a bottom-up feedback for decision; based on employee proposals previously structured by Change Agents for each Learning Meeting cycle;

8. ***Proposal Selection and Implementation*** – attribution of importance levels, feasibility, and meaning, according to the planed change; as well as the associated decision for structured action implementation;

9. ***Leadership Training (Module II)*** – covering critical aspects related to leadership competencies associated with team relationships;

10. ***Program Evaluation*** – against its objectives and using the instruments included on the evaluation methodology which has been previously defined.
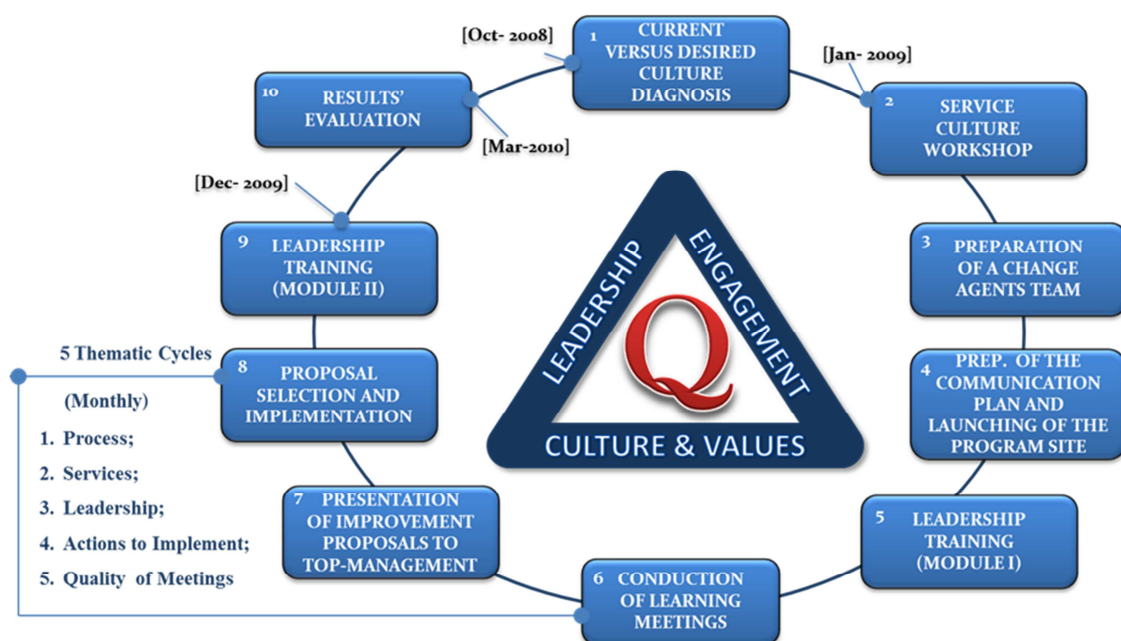
Figure 59 – *Changing IT:* Main steps of the organizational intervention (1st OD Cycle)
Source: own elaboration.

4.2.1.2 Organizational Diagnosis

This stage has targeted the characterization of the current and the desired culture and values, the determination of the associated gap, and the detailed planning of the intervention. It has been used a specific reference model, being produced a proper diagnostic report.

4.2.1.2.1 Reference Model

For the diagnosis it has been used, as a reference, an *expanded version of Cameron & Quinn's (1998) model* (systematizing and incorporating new theoretical and practitioners contributes, but preserving its original characteristics). It has included six essential

dimensions of organizational analysis*: (1) Objectives; (2) Values; (3) Leadership; (4) Resistance to change; (5) Information; and (6) Organizational narratives (history).*

For each of these dimensions, the model characterizes the four cultural quadrants as follows:

1. ***Clan culture*** (<u>Human relations</u>) – Flexibility and Internal Focus:

   - Objectives: Employee development, good place to work;
   - Values: Loyalty, Cohesion, Teamwork, Tradition, Participation, Consensus, Trust;
   - Leadership: Mentor, Paternalistic;
   - Resistance to change: High (with high pressure to maintain the internal system);
   - Information: Centred on values, vision, and organizational mission; low needs for formal control information;
   - History: memories are maintained by people.

2. ***Development culture*** (<u>Open systems</u>) – Flexibility and External Focus:

   - Objectives: Growth, unique products and services;
   - Values: Innovation, Experientialism, Individual initiative, Risk taking, Freedom, Autonomy, Quality;
   - Leadership: Innovator, Coach;
   - Resistance to change: Low (if understood);
   - Information: diversified, low need for formal information;
   - History: memories are maintained by orality, a culture of heroes;

3. ***Internal Processes culture*** (<u>Hierarchical</u>) – Control and Internal Focus:

   - Objectives: to ensure continuity, on a structured, formalized way;
   - Values: Control, Respect, Organization, Rule accomplishment, Standardization, Effectiveness, Maintenance, Stability;
   - Leadership: Coordinators, Hierarchy representatives;
   - Resistance to change: High (strong pressure to maintain the status quo),
   - Information: Need for formal security and control information;
   - History: Formalised official versions, diffuse oral tradition;

4. ***Rational goals culture*** (<u>Market</u>) – Control and External Focus:

   - Objectives: Results' achievement, market share, be market leader;
   - Values: Win, Compete, Produce, Achievement capability, Do more and better, Resources management, Quality;
   - Leadership: Directive, Demanding, Role and responsibilities structure;
   - Resistance to change: Low (but with high tension);
   - Information: Need for formal information concerning current activity, Openness to incorporate external information;
   - History: Memories are formally maintained, Key people as role models.

4.2.1.2.2 <u>Process</u>

During the initial Diagnostic Stage, the characterization of organizational culture has been done through:

- **The identification of current culture** – using quantitative and qualitative data gathering methods; involving employees and a representative sample of internal customers. Concerning employee involvement, the target was to get an objective measurement of their perceptions on current organizational culture, and to obtain their perspective on main improvement needs. This has been done through the application of an online culture diagnostic survey (426/488 valid responses), as well as, through face-to-face (9) focus group sessions (involving 54 employees); in order to identify potential service improvement opportunities. In the domain of main Internal Customers – in order to get information about their perception on service culture and to systematize their main perceptions on improvement opportunities – there have been conducted semi-structured interviews with top responsible for six critical business areas using IT services.

- **The definition of the desired culture** – through the conduction of a full day workshop (Leadership Alignment Workshop); involving all top and intermediate managers in a joint reflection about the kind of desired culture according to the IT strategic objectives. Each manager has filled a summary version of the questionnaire used for organizational culture characterization, focusing on their understanding of the desired IT culture. Additionally, each participant has also proposed a set of action suggestions in order to implement the new service culture.

Taking into account that the four typologies of organizational culture defined by the model correspond to "pure" types (and that each organization has, as a rule, elements of all of these types, evidencing, however, some dominant patterns on one of them) the method which has been applied has considered (through a demographic identification) the necessary elements to segment the responses, and to identify, for each dimension of analysis, potential subculture patterns.

Despite it has been identified, for some organizational subunits, some differentiating patterns, the results here presented only detail the global findings (at IT Unit level).

4.2.1.2.3 Main results

As a major outcome of this stage, it has been produced a Diagnosis Stage Report (including all those major aspects, and a more detailed proposal for the subsequent steps). It had been analysed with the navigating team and presented to IT Top-management.

This report deeply answered to the initial main change questions, namely:

- What is the context and the main associated problematic areas, issues, and change objectives?
- Within this context, what is a feasible structure to approach the intervention?
- What are the current organizational culture characteristics and its associated main problems?
- What are the desired culture characteristics and its associated nuclear values?
- What is the gap between the current and the desired organizational culture?
- What are the next stages, steps, and essential characteristics to enhance along the program?

Its presentation to top-management – and the high level of acceptance of the proposed approach and plan – has been a major step on the process of continuous enforcement of IT Management commitment and sponsorship.

In fact, strong awareness has been created concerning the existing problems and issues to be addressed (based on appropriate quantitative and qualitative data); management commitment has been induced and enforced (through continuous information, involvement on decisions, and feedback); and proper visibility has been given to their engagement (through information publication, via specific newsletter, giving feedback to all IT employees). Open communication, active engagement, proactive action, and improvement orientation have been set as the main characteristics to be preserved and enforced along the entire program; based on a strong appeal to values, attitudes, and behavioural patterns associated with a new IT culture.

As a main conclusion concerning *the type of cultural change*, the diagnostic phase study results have evidenced the existence of a *strong hierarchical culture* (with some heterogeneity on leadership practices), and a strongly *convergent desire to evolve to a market culture*.

4.2.1.2.3.1 Current culture

Globally, the employee perceptions point out to a hierarchical culture; which means, a strong tendency for control and internal focus orientation.

Concerning the way the organization deals with *objectives*, the hierarchical pattern repeats; which mean that the focus is set on standardized process and rules' accomplishment.

Concerning organizational perceived *values*, employee perceptions frequently point out to values which are typical of a hierarchical culture, as well as of a market culture.

The most selected values (chosen from a list) were:

- Rule accomplishment (50.2%);
- Quality – customer needs fitness (48.8%);
- Teamwork (42.5%);
- Quality – standards (38.7%);
- Control (38.7%);
- Maintenance and stability (38.0%) and
- Doing more and better (37.6%).

Concerning the perceived *leadership practices*, the current culture survey results have pointed out, clearly, to a hierarchical culture; although it was also perceived some heterogeneity on these practices between organizational levels and sub-units.

Concerning *information*, it has been identified two main existing channels: the *formal* pre-defined hierarchical channels, and, also, the *informal* communication between organizational units and levels. This aspect seems to confirm the variability on leadership practices – the proximity or distance between the leader and team member influences communication on form and fluidity.

4.2.1.2.3.2 Desired Culture

As previously referred, top and intermediary responsible (31 managers) of the IT Unit have been actively involved, through a Leadership Alignment Workshop, on a joint reflection concerning the understanding of the essential aspects of the current culture, and the definition of a desired culture; in strict alignment with the strategic objectives.

During the workshop (after the presentation of session objectives and essential aspects of the reference model) each manager has filled in the associated questionnaire; focusing on his perspective for the desired culture. Afterwards, all IT managers have been aggregated into small groups (by organizational unit); discussing and reflecting on the subject in order to produce a summary presentation to the whole group of participants. At the end of the session, a global reflection has been made, and global conclusions have been issued.

Despite the distinct management levels, nature of activity, methods, processes, and leadership practices, the results (figure 60) of the several discussion groups have reached extreme similarity (almost uniform) on their *global* conclusions: *a clear decrease on the hierarchical pattern, and a willingness to enforce the market quadrant* (associated with a tendency to focus more on customer orientated practices).

Also, some enhancing tendency has been noticed for some open systems culture characteristics; mainly in aspects related with the need for increasing employee participation on problem solving, and individual responsiveness on innovation and continuous improvement.
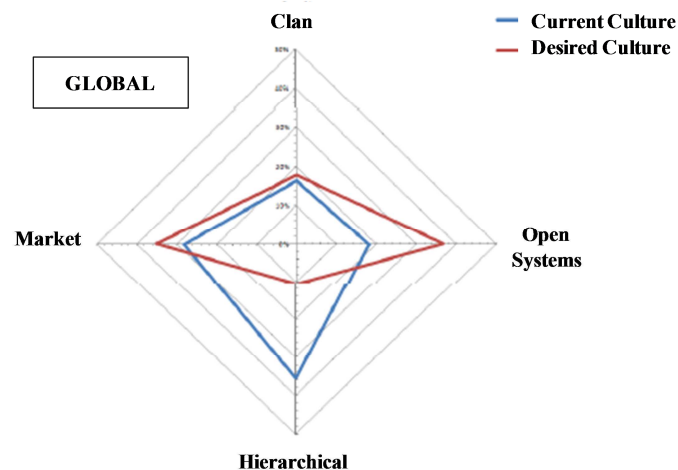
Figure 60 – Current versus Desired Culture: Global
Source: own elaboration.

Concerning the *objectives* dimension of analysis, the joint reflection results (figure 61) have favoured an *increased external focus and flexibility orientation* (in order to allow for better customer needs anticipation and innovation); *although still*

maintaining the current standard rules and procedures concerning activity prioritization, resources allocation, and development control.
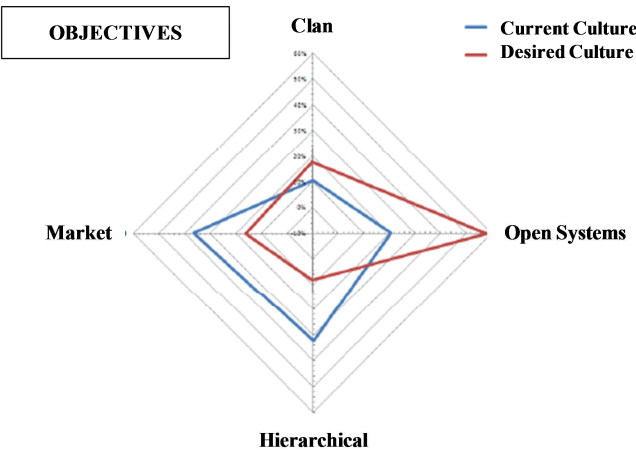
Figure 61 – Current versus Desired Culture: Dimension Objectives
Source: own elaboration.

Concerning the **values** dimension (figure 62), the desired culture points out to the need to *promote and valuate practices congruent to a market orientation*; *more focused on objective customer results* and less focused on strict "rule accomplishment".
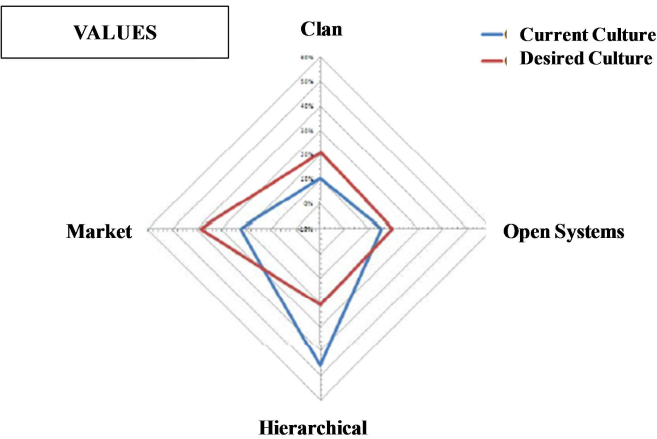
Figure 62 – Current versus Desired Culture: Dimension Values
Source: own elaboration.

Concerning the **leadership** dimension, the results (figure 63) evidenced a tendency to *focus on employee effectiveness*, increasing *results' accountability*, and promoting a *leader-member increased proximity*. Also, *employee involvement on problem solving* activities, and a *better leader support to their team members*, were considered as key aspects of leadership practices necessary to support the new, desired, service culture.
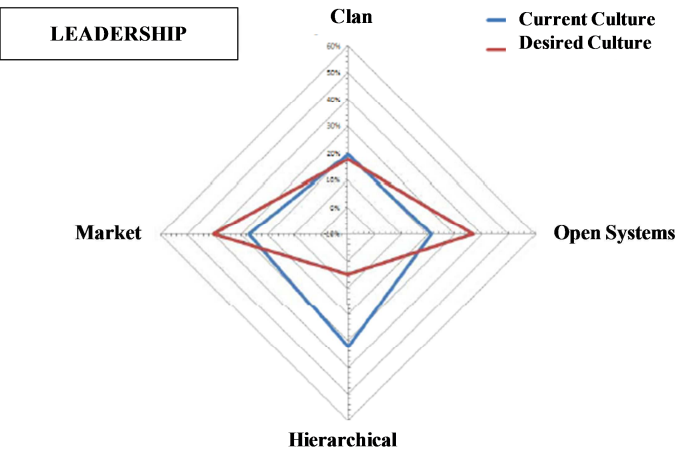
Figure 63 – Current versus Desired Culture: Dimension Leadership
Source: own elaboration.

Concerning the ***information*** dimension (figure 64), the new culture should favour increased *performance feedback*, and harmonized, flexible, *communication practices*.
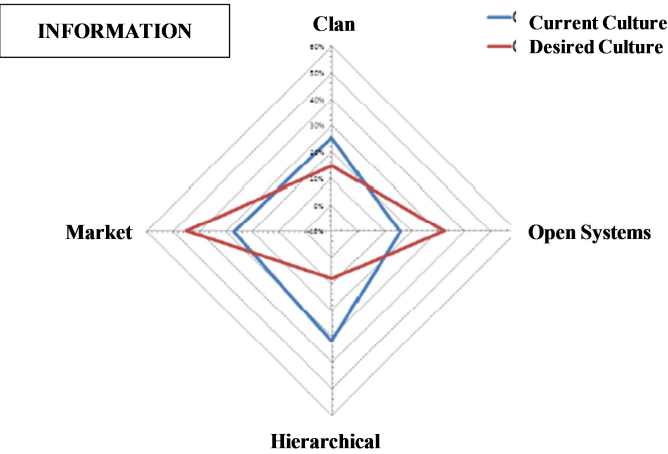
Figure 64 – Current versus Desired Culture: Dimension Information
Source: own elaboration.

4.2.1.2.4 Definition of Organizational Values

After the joint identification of the essential aspects related to the desired culture it has been conducted a joint session, involving all the members of IT top-management, to select and define the specific set of IT organizational Values (figure 65).
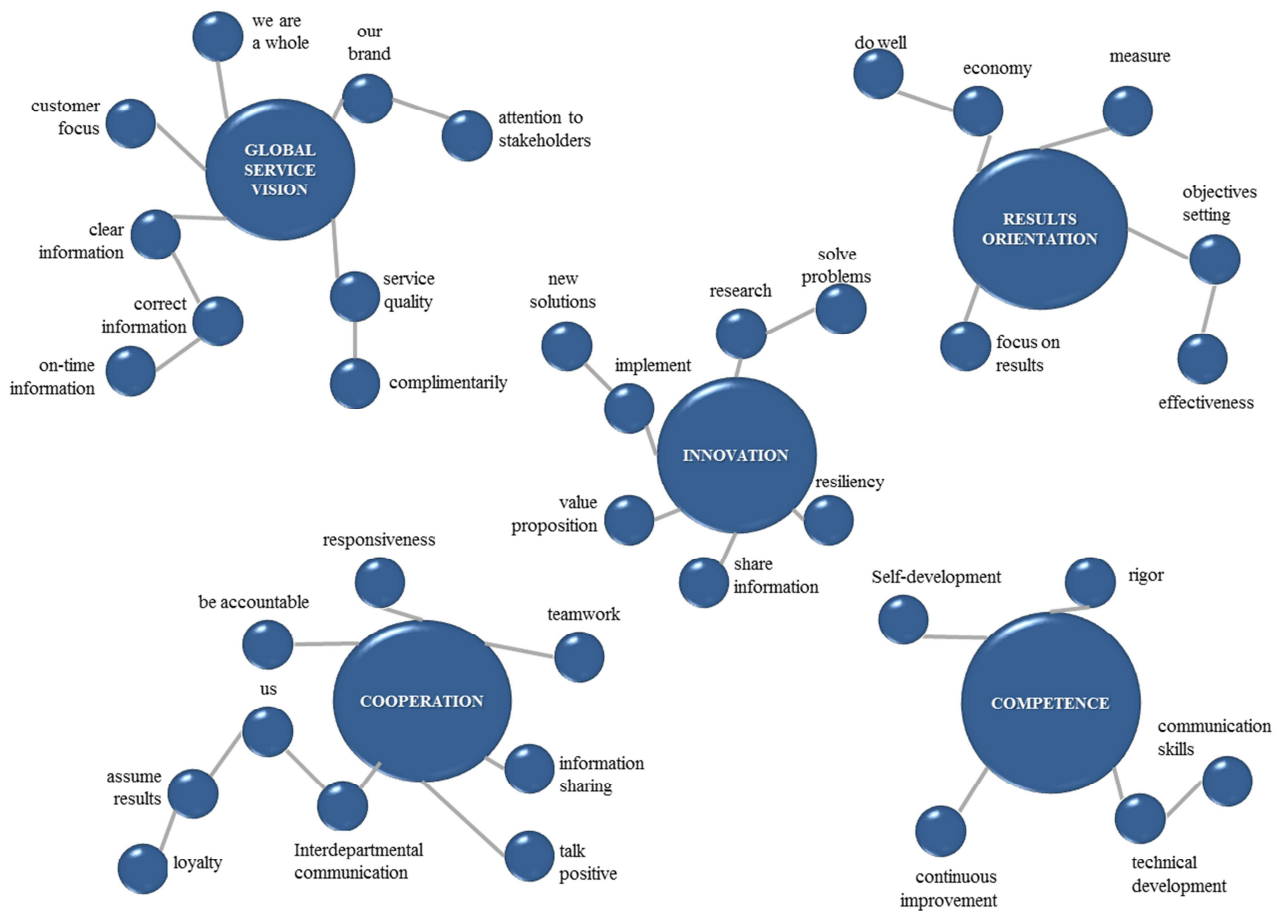
Figure 65 – Organizational Values and attitudinal triggers
Source: own elaboration.

They would be used as a base reference for the entire organization; being implemented along the change program (focusing on its assimilation, and enforcing new attitudes and behaviours aligned with the new service culture).

The process of Values' selection has been highly participative and consensual.

It has conducted to the following *explicit definition of five main IT Values*:

1. *Global Service Vision*:
   - Pay attention to distinct stakeholders, contributing to service levels improvement;
   - Focus on solving customer problems, through a transversal action of units and functions;
   - Provide clear, adequate, and on-time information to Customers;

2. *Results' Orientation*:
   - Concern about an adequate definition of objectives and results;
   - Constant measurement of achieved results;
   - Do right the right tasks and activities;
   - Effective and efficient results achievement;

3. *Cooperation*:
   - Working as a team, sharing information, with action complementarily in order to reach objectives;
   - Actively promotion of inter-area communication;
   - Assume and be accountable for, both, positive and negative results;
   - Speak positively about your unit and organization;

4. *Competence*
   - Provide conditions to technical and behavioural development of employees;
   - Evidence an high-level of competence and skills on role performance;
   - Assume responsibility for self-development;

5. *Innovation*:
   - Implement new processes, projects, and problem-solving approaches, bringing benefits to the team;
   - Continuously search and share new information;
   - Develop new products / services with increased value proposal.

This set of Organizational Values, its alignment with employee individual values and beliefs, and their own contributes (with explicit perceptions and positive suggestions about its operationalization) would be subject of further engagement sessions during the program.

4.2.1.2.5 Organizational diagnostic main conclusions

Based on the results of the Organizational Culture Survey – which has highlighted the current perceived and the new desired IT Organizational Culture – important evidence has been shared and discussed, with great detail and interaction, within the IT Unit.

A proper *Diagnostic Report* has been issued and adequate discussion sessions have clarified its main aspects.

All this information has been made visible and available to all IT Employees using a specific IT Newsletter and the Changing IT Site as main information sharing channels.

The associated *main conclusions* can be summarized as follows:

- The IT Unit exhibits a strong organizational culture – in the sense that there is a clear perceptive alignment among their members – either considering the current culture, as well as, the desired one;

- This situation denotes some organizational change readiness; which can be used to facilitate the introduction of the new service culture. This perception is, in fact, enforced by employee answers to the Culture survey question concerning potential levels of resistance to change, which they have identified as low or very low;

- However, the tension level (psychological stress) associated with the change, has been perceived as being present; which recommends a proper change management attention. So, the associated communication plan should address these main informative aspects (why change, what is to be changed) by consistent communication (including attitude and practices), addressing all levels, and with a time-synchronized approach;

- Although there exist a consensual alignment concerning the *desired* culture (in terms of increasing customer focus, and flexibility), the survey has identified the existence of *two subcultures.* The *production* areas were more oriented to a market culture, and the *development* areas more oriented to an open systems culture;

- So, the need to maintain these two subcultures congruent with their nature of activities requires special attention to facilitate the communication between organizational structures; in order to ensure that those differences result in customer value creation; not introducing any internal "noise" or inefficiency. So, it will be relevant the implementation of a cross-area communication process; sharing practices and harmonizing work processes and flows;

- Another intervention need, which has been detected, is related to the promotion of values which are congruent with a market culture; mainly focusing on results, responsiveness, and customer service improvement. This enforces the relevance of the current performance evaluation systems, as predictors of individual performance;

- One last relevant aspect to be considered is the existence of a perceived heterogeneity of management practices; which confirms the conclusions of the focus group sessions.

Concerning the *existing gap between the current and the desired culture*, the following table (figure 66) summarizes the main differences between the two – thus, corresponding to *areas to be addressed along the organizational change project*.

AREA	CURRENT CULTURE	DESIRED CULTURE
Objectives	To ensure, throughout the organization, full compliance with established rules and procedures. To respond to all customers solicitations using established rules and procedures.	To anticipate IT needs and to provide innovative solutions to customers. To respond to all customers solicitations using established rules and procedures.
Values	Control, Respect, Rule accomplishment, Organization, Standardization, Effectiveness, Maintenance. Production, Achievement capability, Doing more and better, Stability. Teamwork.	Achievement capability, Doing more and better, Resource management, Quality (compliance with defined standards). Individual initiative, Risk taking. Teamwork, Participation, Trust.
Leader's Role	Person who, essentially, represents the hierarchical structure, to whom all critical decisions needs, must be reported. The person who transmits the organizational culture and helps to solve problems, through solutions which are based on his personal experience. Plays the role of a mentor.	The element which structures the distinct responsibilities, requesting and evaluating individual results. Essential to incorporate innovation on customer solutions. Requests for solutions for all difficulties found by employees.
Information	Informally shared among the distinct hierarchical levels and areas, with a great level of accessibility. Formally shared along the predefined hierarchical channels.	Immediately updated whenever a new customer solution is developed, being accessible to everyone, in order to facilitate its future use. Mainly shared, concerning current activities, using predefined procedure, being constantly improved and updated.

Figure 66 – Current versus Desired Culture: Main dimensional characteristics
Source: own elaboration.

4.2.1.3 Service Culture Workshop

In order to develop a new, strong, service-oriented culture (aligning leadership practices, and promoting active employee engagement and participation) one *major challenge* concerning the desired transformational change was the *alignment*, and *absorption* of a set of *meaningful values*, and the *stimulation* of *congruent attitudes, and behaviours* among all employees.

The *wide consensus* which had previously emerged within the IT management team during the participative process of values' definition, should, necessarily, be now

extensive to all IT employees; in order to *minimize the gaps* (Bourne & Jenkins, 2013) between attributed, espoused, aspirational, and shared values.

A proper process was needed to redirect values, as a deeper layer of organizational culture (Neves, 2000; Schein, 2009; Vargas, 2005), not only artifacts; creating change readiness and minimizing resistance (Armenakis et al., 1993); sharing a new compelling vision, inspiring people for change, and creating a sense of urgency (Kotter, 1996); using *education and communication, participation and involvement, facilitation and support* as main strategies (Kotter & Schlesinger, 1979).

Adequate *change facilitation* (an engaged and cohesive Change Agents Team); visible *sponsorship* (IT Management engagement, participation, and communication); *change process leadership* (Project Manager and Navigation Team); and specific *communication and support tools* (Program Newsletters, Inspirational Book, Program Poster, Mouse Pad, Program site, Change Agents working platform, Testimonial recording) would be necessary to *drive the process to its desired outcomes*.

The first critical activity to be developed to **engage all employees** (contributing to the new, value-driven, Organizational Culture) was the ***Service Culture Workshop*** – a main step on *inspiring for change*.

It has consisted of a full day immersion session; extensive to all IT employees; and involving cross-organizational groups of 25 persons per session; with the following main **objectives**:

- to create a proper reflection space in order to allow, participativelly, the ***desired culture characterization***; discussing its impact on attitudes and desired behaviours;
- to boost a ***positive attitude towards the desired change*** within all the IT Team members; increasing the motivation of the participants to embrace behavioural and operational changes along time;
- to incentive ***individual responsibility*** and ***mutual support*** for, collaborative, positive problem solving; congregating intra-team and inter-team efforts;
- to value ***individual initiative on implementation of solutions***, behind the simple problem identification;

- to *foster loyalty within teams and between members,* and to improve the quality of internal communication;

- to provide *effective teamwork methodologies* for further application on a daily basis.

During the workshop sessions it has been *explored the concept of active employee participation and engagement*; focusing on employees attitudinal and behavioural dimensions; clarifying the change process and objectives; and, thus, preparing them to participate on the program.

So, pursuing these objectives, each session has been designed to, in a participative and engaging form, address the following main topics:

- *Organizational culture and change*:
  - Change's inevitability;
  - Organizational life cycle: birth, growth, stagnation, decline, crisis;
  - Organizational changes' short-term loss and medium-term wins;
  - Change energy: where it comes from?
  - Problems caused by gradative change's perception;
  - Individual behavioural stereotypes when facing change: amorphous, yes-man, saboteur, and champion;
  - Market evolution: culture and organizational identity as differentiators;
  - Values as the base for an identity;
  - The Employeeship culture: preparing to change;
  - Change management starting from what does not change: productivity, relationships, and quality;

- *Our IT Culture*:
  - Presentation of the results of the IT Culture Survey: current versus desired culture;
  - Identification of the main change areas;

- *The Individual Role for Change*:
  - Attitudes (responsibility, loyalty, initiative) as the main driver of continuous improvement;
  - The Employeeship person: responsibility for change, loyalty to organizational values, initiative to produce organizational change and the desired future;
  - Team spirit and teamwork as the response to change needs;
  - Winning Teams: a Team with a Global Vision;

- *Team exercise*:
  - What do others expect from my team? Expectations' identification, synthesis, and presentation of conclusions;
  - Commitment to change implementation.

These sessions have been *conducted by external consultant experts on the subject*, and the level of engagement, satisfaction, and change *buy-in* expressed by the participants, and reported by the consultants, was very high; denoting an excellent level of *change readiness*, and a good *attachment* to the *Changing IT* proposal and values.

By the end of each session it was delivered to each IT Employee a *Mouse Pad* containing the message and logo of the Program (*Changing IT, in our hands*); in order to maintain visible the importance of the role of employees as the driving force for a new IT Culture, through a certain "omnipresence" of a new organizational dynamics.

Also, an *Inspirational Book* – full of strong and meaningful messages; covering essential aspects associated with this new dynamics; including Individual & Organizational Change (*Change IT*), Culture & Values (*Build IT*), Customer, Service Quality & Innovation (*Innovate IT*), and Communication (*Talk IT*) – has been distributed as a landmark on commitment to the change.

The main objective has been to enforce the message; removing any remaining cognitive dissonance; and delivering deep inspiring materials for further reading and reflection.

4.2.1.4 Preparation of the Change Agents Team

Kotter (1996) – within his "*eight-stage change process*" – highlights (p.21) that "*creating the guiding coalition*", "*putting together a group with enough power to lead the change*", and "*getting the group to work together like a team*" is a major step of the process.

Elaborating on the subject, he considers (p.66) that "*building a coalition that can make change happen*" implies to:

- "***Find the right people*** *– with strong position power, broad expertise, and high credibility; with leadership and management skills, especially the former;*
- ***Create Trust*** *– through carefully planned off-site events; with lots of talk and joint activities; and*
- ***Develop a Common Goal*** *– sensible to the head and appealing to the heart*".

Obviously, this is not a task for a single person, a single team, or, even, a single support organizational unit.

Even within a strong "*command and control*" culture (and approach) it would be impossible to orchestrate the necessary power, skills, expertise, and characteristics within a single role in order to face a wide transformational change.

In fact quite *distinct roles must apply and coexist* within planed change; to succeed.

ODR (1989) and Conner (1999) highlight four key distinct *change intervenient roles*, namely:

- "*Sponsor – Individual / group who legitimize the change;*
- *Agent – individual / group who is responsible for implementing the change;*
- *Target – individual / group who must actually change and*
- *Advocate – individual / group who wants to achieve a change, but does not possess legitimization power*".

According to this, all change actors must be aware of his specific role; and a proper evaluation must be done concerning their preparedness to face change. *A special emphasis is put on the Change Agents role*, with focal responsibilities within the change process. These authors consider that *Change Agents performance is optimized when*:

- "*The agent works within the parameters set by the Sponsor;*
- *The dynamics of change are understood and applied;*
- *Value is placed on the human as well as the technical aspects of the change project;*
- *Differing frames of reference are understood and appreciated;*
- *Diagnostic data is collected and integrated into coherent plans of action;*
- *Synergistic relationships are built and maintained;*
- *Communication styles are appropriately diagnosed and used;*
- *Commitment is built and maintained;*
- *Resistance is identified and appropriately addressed;*
- *Power and influence skills are appropriately applied, and*
- *Professional behaviour is demonstrated*".

Using a special questionnaire (the *Change Agent Evaluation*) to appraise these characteristics, they induce awareness by reflecting on this roles profile and associated mission.

Considering the current case – where engagement and participation sessions have been designed as a central instrument to promote active employee engagement and participation on change – the focal role (and empowerment) of the Change Agents Team has been a major field for concern and special attention.

So, *appropriate **profiling, selection, training, and support mechanisms should be** put in place* in order to guarantee high performance for their proper roles' assumption.

The main role which has been defined for the Change Agents Team within the context of this program included the following main objectives:

- To give visibility to the program;
- To sell, internally, the Changing IT Program, motivating their colleagues to the acquisition and development of new behaviours and work related attitudes;
- To unlock issues related to team functioning;
- To create internal synergies;
- To be the face of the Changing IT Program.

The selection of Change Agents (according to a pre-defined profile) has been made within the entire IT Unit universe of people; with a proportional representation from all departments; and has resulted on the creation of a Team of 21 employees.

A special *information and empowerment session* has been held (with IT Top-management, the Project Leader, the Navigation Team, and the Change Agents Team appointed members) in order to highlight the message for the importance of the Change Program, and on the essence of the independent role to be performed by all of them.

Simultaneously, *Team composition, mission, and empowerment message* has been made available to all the IT management team and employees; via a formal communication note.

Reaching the objectives associated with this Team role would imply to unlock individual and group barriers and issues; requiring special attention to the development of Change Agents *facilitation skills*.

So, ***a proper training program has been set-up*** along three full days; including theoretical, practical, and interactive / performative actions; and preparing them to:

- Identify negative individual reactions against change, and developing know-how to deal with it;

- Lead change through credible, inspiring and compelling communication;
- Develop and improve skills for the conduction of reflexive and problem solving meetings;
- Use active listening and systemic questioning techniques as a way to conduct group meetings;
- Obtain and maintain high levels of engagement during facilitation sessions;
- Know how to conduct group learning meetings.

Responding to the associated skills and competencies' requirements, *the preparation program has included the following* **essential topics**:

- *Organizational Change*:
  - Change related attitudes;
  - Different kinds of change resistance;
  - Processes of preparing teams to change;
  - Problem solving methods;
  - Team learning;
  - Culture change as a learning process;
- *Systemic questioning*:
  - The Team as a System;
  - Percept reality versus Real world;
  - The co-construction of reality: how to make happen the desired culture?
  - Systemic blindness: why do we don't see the obvious?
  - Questioning as a change tool;
  - Question types and its application contexts;
  - Systemic questioning praxis on team meetings;
- *Learning Meetings*:
  - Problem solving model;
  - Meeting facilitation;
  - Team engagement;
  - The Change Agent as a learning facilitator;
  - And if "they" want to change?
  - Group facilitation techniques;

- Neutrality;
- Active listening for meetings;
- *The Change Agent*:
  - Facilitator / Transformation agent;
  - Role, Attitude, key Behaviours;
- *Behavioural training* on:
  - Conducting group learning meetings;
  - Constructing learning cases for learning meetings.

These initial training sessions have evidenced not only a *very high level of enthusiasm, individual and collective engagement* from all Team members, but mainly the *birth of a strong and effective Team*: high sense of mutual aid, team spirit, teamwork, and global responsiveness, emerging from the sharing of a "noble" common mission.

The group has created his own *brand name* (the G21), and a shared communication and experience *exchange tool* (an email-based *chat* and *log*). This record – keeping a real-time track of all their experiences, doubts, anxieties (even, initial fears), and mutual sympathetic help, suggestions, and responses – had been, simultaneous, shared among team members and also with the Project Leader and the Consultants' specialist which had provided the training.

Its analysis clearly evidences a fast (but consolidated and effective) gradative growth on self-confidence and mutual response; being, this spontaneous instrument a privileged *watching place* to observe the progressions on Group maturity and effectiveness, as well as its path to a "self-managed", independent, and effective Work Team. Their quick progression to "norming" and "performing" stages of group evolution has been quite evident.

It has created a natural place for positive feedback and coaching, along the development of the intervention; without breaking the autonomy, empowerment, and independent statutory rule established for the Team.

In order to enforce this statute – of ***autonomy*** from the established organizational power and authority structures, and concerning their role on facilitating and reporting on thematic learning meetings with all IT employees – the Change Agents Team members

have also been requested to *develop a set of cases to be used along these learning sessions*.

This multitude of cases has been reviewed with the program leader, and the navigation team. A subset of cases has been selected, as the most meaningful to be explored during each Learning Meeting cycle. It has been also prepared a set of main auxiliary notes to help the Change Agents to explore each case.

Responding to a specific request of the Change Agents Team, a preliminary coaching session has also been conducted in order to simulate its discussion and main probable issues. This has been done only once; being the Team completely autonomous for the remaining interventions.

4.2.1.5   Communication Plan preparation

Being "*education and communication*", "*participation and involvement*" critical success factors (as well as tactical approaches) to *positively influence individuals and groups* (Kotter & Schlesinger, 1979) *during change*, the existence of a well-structured communication plan should be an essential instrument to enforce the change message and to promote the necessary readiness and engagement.

So – based on the results of the Diagnosis Stage and considering the plan of the Intervention, its characteristics, and desired outcomes – a proper *communication plan* has been previously set-up, for the entire Program, covering all activities and targeting all the intervenient. Its main objectives were to reach all stakeholders with appropriate, on time, information and engaging massages; as well as to collect periodic feedback from all participants. Therefore, being the enforcement and monitoring of the program and its results a continuous task, it would allow for just in time adjustments along its development. Particularly, the *mutual supporting links* with (and between) *change sponsorship* and *change targets* should be subject to a special, continuous, attention along the Program.

The main "*connection wire*" during the entire Program should be granted via *close collaboration* between the Project Leader, the Navigation Team, and the Change Agents Team; involving direct informal contacts and periodical formal meetings; thus ensuring,

through this *core team,* a continuous and direct communication link between IT Management and all Employees.

Most of the intervention Program *stages* have included ***bidirectional, interactive, and live communication moments***, as detailed by table in figure 67.

Stage	Communication events
Diagnosis	Program kick-off presentations, large-group (whole) motivational sessions, focus groups with IT employees, interviews with main IT customer representatives, current and desired culture interactive sessions, diagnostic report presentation sessions
Service Culture Workshop	Active and participative sessions, engaging all employees, and developing a special positioning to assimilate new values, triggering new attitude and behaviours
Change Agent Preparation	Empowerment session with IT Top-management, specific Training sessions, Coaching and Case Preparation session, Learning Meeting Reporting preparation session
Leadership Training	Formal presentations, simulation, and role-play, feedback and coaching, action reporting
Learning Meetings	Peer interaction on problem identification, discussion, positive contributions, enrichment and solution proposal, on a facilitation / reporting relationship with change agents
Proposal Selection and Decision	Bottom-up communication, reporting employee perceptions on problems and proposed solutions / suggestions; interaction between change agents' representatives and IT Top-management, clarifying them and their relevance level

Figure 67 – Main communication events along the Changing IT Program
Source: own elaboration.

Along the entire Program, at specific moments, ***communication tools*** were used; in a synchronized way with other instruments; to support its main actions, including:

- Stage interventions' starting announcement, action's convocatory, and results evaluation's communication;
- Special meetings, preceding, or succeeding each action;
- Global events / talks;
- Testimonials;
- Program Site;
- E-Newsletter;
- IT Newsletter (IT's our news);
- Program Posters;
- Inspiration Booklet;

- Mouse Pad;
- Corporate TV;
- IT Executive Letter (for Internal Customers Top-level Responsible).

All these aspects have been carefully analysed and designed in order to integrate them into a **Communication Plan;** including all necessary Actions to reach specific Stakeholders with appropriate Messages; using proper Channels; enhancing their specific Role within the Change Program.

4.2.1.6 Leadership Training – Module I

Having the dominant culture the characteristics of a hierarchical one; where internal orientation to control was a strong pattern recognized by IT employees; the importance of management training was determinant to redirect it toward change objectives.

A rule-based culture where control played a major role on management processes *should be replaced; putting the focus on leadership as a process of influence to reach common goals*.

This should involve a double perspective, covering the development of leadership competences concerning: (1) the individual action toward employees; and (2) with and within teams.

New values had been subject of definition and internal alignment; being assimilated by all employees. New cooperative and participative group discussion schemes have been developed through learning meetings, in strict alignment with these new shared values. They had evidencing the power of group participation; with new behavioural responses to those values; and producing positive results on members' contribution to problem-solving. Change agents evidenced an extreme performance on leading those sessions, neutrally driving the participants to relevant and systematized contributes.

So, it was time to "*pass the token*" to managers; preparing them to lead within a new people management process context; using *influence* and *participation*.

Power mechanisms should be replaced by *influence* processes; thus refocusing from control to *delegation, coaching, and participation*.

The first leadership training sessions had targeted the essential aspects of developing leadership competences concerning the individual relationship with team members.

They have covered, mainly, performance diagnosis, coaching, individual improvement support, feedback, and appraisal.

The use of role-play to simulate situations has been a main characteristic of the training process – in order to imprint a real-case approach and generate engagement on learning and attitudinal responses – balancing cognitive and behavioural learning stimulus.

In some cases, the affective response during role-play simulations has evidenced an extreme commitment of the participants; providing good opportunities for the group to learn together, with a dynamic perspective of the situations.

This high-level of engagement demonstrated by trainees, and the high level of satisfaction of all the participants, quite evidence the success of these training actions.

4.2.1.7   Learning Meeting Cycles

One of the *focal aspects of the program* – on the critical path to organizational transformation and culture (re)orientation – was the *practice of new shared values* along a set of group learning sessions: *learning the new culture* (applying its values, and behaving together) and *learning from the new culture* (applying it to, creatively, point out solutions to existing problems).

This has been done along *five cycles of Learning Meetings*. They have integrated short-duration (1 hour per session), small-group (15 participants per session; heterogeneous groups) learning sessions, involving all employees. During each session they have discussed hypothetic cases similar to real situations; searching together for problem identification and characterization; diagnosing possible causes; and pointing out relevant solutions.

Each cycle has focused on specific thematic (*Processes, Services, Leadership, Actions to implement, and Quality of Meetings*); using "provocative" caricature cases to trigger an open and free discussion; involving all the participants; and searching for balanced and innovative contributes.

The Change Agents Team has played a major active independent role on facilitating the sessions: *acting as a grantor of the formal process*, but *being neutral on material discussion and contributes*. They've worked in pairs (facilitator-reporter), as a completely self-organized team, during the meetings.

At the end of each cycle they've organized to summarize the discussions and to produce structured proposals which reflect the employees' perceptions and solutions for the discussed problems.

The group has evidenced itself as a high-performance, cohesive, and self-leading team; with a *high psychological sense of community* (membership, influence, integration and fulfilment of needs, shared emotional connection, and responsibility).

The same sense of community has been, progressively, propagated to the participants and has emerged along the Learning Meeting sessions.

In fact, concerning the level of participation of all employees along the learning meetings it evidences a *progressive (from cycle to cycle) evolution of this sense of membership to a discussion group*; with *inclusive and mutual influence*; integrating and dynamically fulfilling needs; developing *shared emotional connections*; with a *responsible response* on solving, positively, common problems concerning real organizational issues.

Change agents' reports clearly evidence this high-cohesive level of engagement from all participants.

Also, *participant testimonials*, collected along the process by the IT Communication team, confirm their assimilation of change messages, and congruent active voice contributes; *as a community which*, with a cognitive and affective positive response, *shares and solves their own problems*. A sense of identity, and members' identification, around organizational values (global service vision; results orientation; cooperation; competence; innovation) has been, progressively, developed along the process.

This engagement climate has, undoubtedly, facilitated the discussion; and the effective production of a set of important, strategically relevant, outcomes.

4.2.1.8   Presentation of Improvement Proposals to IT Top-management

As a natural step, on the sequence of the engaging dynamics which had been created along the Learning Meeting sessions, a proper presentation should be prepared to give evidence of the inherit outcomes; enhancing a *sense of urgency for proposed changes*, as well as providing a *comprehensive view of its extension and meaning*.

Issues and proposals should be presented in a *coordinated way*; structuring main actions and their relationship; and evidencing all the dimensions of analysis: employee *perceptions* on the *situation* and their *impact*; identification of main associated *problems*; basic *causal* analysis; identification and proposal of alternative *solutions*.

Thus, the presentation should evidence the effective results of a *positive problem solving approach* to organizational main issues; giving main attention to *structural* solutions, at a *strategic* level; and reflecting *double-loop generative learning*, rather than only pointing out to possible short-term achievements (quick-wins).

The strategic improvement proposals have been presented to IT Top-management (by self-selected members of the Change Agents Team) as an *ascending feedback / feed-forward contribute*; based on their independent systematization; and documentally supported by sessions' report structured narratives. They have been also *clearly visible, and made available to all employees* through the Program Site.

This kind of *transparency* and *independency* has been considered as an essential condition to create *trust* along the whole process.

4.2.1.9   Proposal Selection and Decision

After the presentation to IT Top-management Team of Employee proposals *decisions have been taken*; either for short-term simple changes with minor structural requirements; or for strategic, complex, actions which require a more structured implementation.

Putting the focus on *strategic redirection transformative actions*, a *specific document has been produced* by IT Management, summarizing its main objectives, rationale, and leading responsibilities.

It has covered ***twelve main relevant actions to be addressed***:

1. Restructuring of the IT Software Development Area; integrating the Application Management and Project Management areas in order to obtain synergies and allow for internal rotation and job enrichment;
2. Develop a project to define and implement an IT Academy;
3. Develop project to define and implement an IT Portal;

4. Review of the Feasibility Study Process; in order to improve it, and to redefine service levels according to complexity;
5. Develop a Project to review and improve all stages of the Software Development Process;
6. Develop a Project to integrate Software Development Tools;
7. Document IT Processes' Definition;
8. Enhance IT Processes' Control;
9. Enhance and update Software Applications' Documentation;
10. Implement regular Meetings between IT and IT Users, at Top-Management level;
11. Train IT Users;
12. Review and enhance IT Costing and Chargeback systems.

As a major feedback following people's contribution (acknowledging and incorporating their most significant proposals) this document has been disseminated to all IT Employees, via specific Newsletter, being also made accessible via the Program Site.

Also, in response to employee concerns and suggestions related to internal communication improvement needs, and considering the high communication and engagement potential evidenced by Learning Meeting sessions, *a set of meeting support orientations has been produced*, under the form of a *policy document*.

It has *targeted*, mainly, the enhancement of:

• Information-sharing;
• Employee engagement on continuous improvement;
• Structured reporting practices;
• Support to Employee development;
• Meeting practices effectiveness and alignment.

Within an organization where *service effectiveness is directly dependent on collaboration and cooperation* of several units along the value-chain, support and coordination meetings are, in fact, essential.

So, *four most relevant **types of meeting** have been structured*:

• ***Coordination Meetings*** – team meetings (replicated for all hierarchical levels) with the objective of sharing relevant information inside the work team; analysing and evaluating projects, activities, and task status and progression; as well as, discussing common subjects which are relevant for team performance;

- *Inter-area Analysis Meetings* – team meetings between organizational units; crossing organizational boundaries and improving cooperation; in order to share and discuss relevant information to all involved teams; identify improvement areas along the value-chain; and analyse and solve common problems;

- *Activity Follow-up Meetings* – individualized meetings between the team leader and a team member; sharing relevant information and reporting on task progress and issues;

- *Coaching Meetings* – individualized meetings between the team leader and a team member; elaborating a systemic diagnosis, with performance feedback; identifying potential issues; supporting issues' solving, and building an employee development plan.

Within this policy, specific orientations have been provided concerning *main aspects of meetings*, including: its purpose, objectives, and advantages; the kind of meetings; general concerns for preparation, conduction, and follow-up of meetings; specific objectives, roles, conduction, issues, and recommendations particularly associated with each kind of meeting. This information has been made available to all Employees. Naturally, special training has been provided to IT Managers; in order to highlight their special role on meetings, and to develop leadership competencies on its preparation, facilitation, and follow-up.

4.2.1.10 Leadership Training – Module II

Concerning managers training on leadership, a second module was devoted to the essential aspects and critical *competencies of the leader concerning his/her relationship with the team*. It has covered the implementation of balance meetings; as a privileged space for periodical reflection on values' practice; engaging team members on proactive problem-solving and enforcing leadership practices.

Similarly to the first module, role-play, using real-case simulation and providing constructive feedback, was used as a major tactic to enforce learners' engagement.

It was the time to *"pass the token" from Change Agents to Managers*; as engaging communicators and team members influencers (leaders) to achieve common organizational goals.

The sessions – to a some extent reproducing a "change agent's preparation", but playing the role within an organizational unit context – have targeted, mainly, *the role of the leader as a facilitator*, effectively *communicating* with the Team and acting as an *agent of change*.

So, they have covered the following ***main topics***:

- The Leader as a Change Agent;
- How to manage Resistance to Change;
- Meeting with the Team;
- Critical leadership competencies: process, techniques, and communication;
- Kinds of Meetings;
- Group process facilitation;
- Communication tools and techniques;
- Groups and Systems;
- Mental Maps;
- Systemic Blindness;
- Balance Meetings;
- Facilitation Techniques.

Also, as a follow-up of the first leadership training module, a *progress report has been done by each participant*; covering the implementation of what has been learned, and associated results and difficulties.

As it has happened during the first module, *participants' satisfaction with the sessions has reached very high levels.*

4.2.1.11 Program Evaluation

A final step of this first organizational intervention cycle had been devoted to the final balance and evaluation of the program. This evaluation has been done across several dimensions; using pre-defined qualitative and quantitative indicators; some of them contrasting program begin-end variations, but also, many of them, considering the evaluation of intermediate steps.

A final report has been produced enhancing the program main objectives, stages, results, and recommendations for future actions.

It has been presented and deeply analysed and discussed with the IT Top-Management Team, the Coordination Team, and the Change Agents Team.

It has also been made available to all Employees via the Program Site.

4.2.2 Second OD Cycle – Developing Emergent Structural Actions

As it emerges from the results evaluated at program closure, *service quality has improved and several actions have been decided*, to be implemented during the second organization development cycle, in order to potentiate future improvements.

The *internal and external recognition* of the program – namely through the attribution of 2010 APCE's Great Award (Portuguese Association for Organizational Communication) – has set a prominent milestone on the recognition of organizational ability. It has incremented collective self-confidence; acting as an incentive to decide and to face new organization development projects towards organizational excellence.

Several important initiatives (Figure 68) have been developed, targeting Employee Satisfaction, Motivation, and Teams Effectiveness. They've covered areas such as (1) Training, Development, and Communication; (2) Leadership practices; (3) Adoption of Best Practices; and (4) Work Process Optimization and Supporting Tools Implementation.
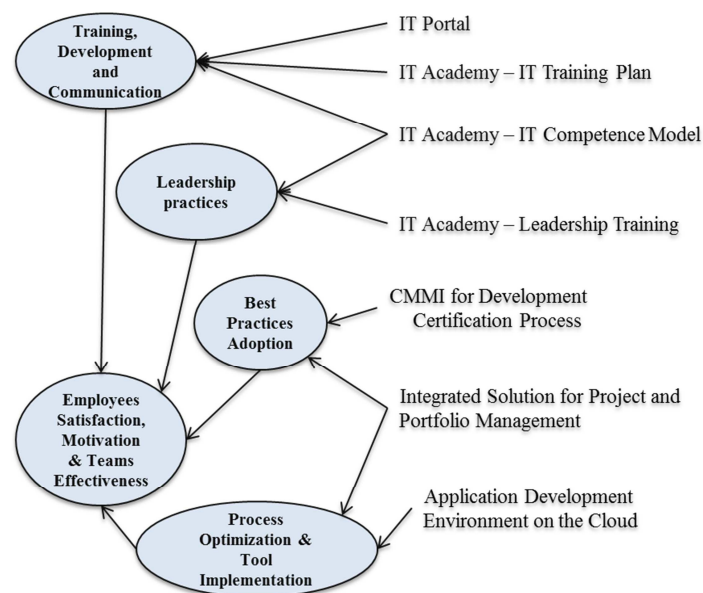
Figure 68 – Second OD Cycle: Main initiatives emerged from the *Changing IT* Program
Source: own elaboration.

This *set of strongly interrelated structural actions* – evidencing new *strategic* directions, as an organizational *learning* effect, from the 1st OD cycle, reflected on the second one – has been implemented by specific project teams; sponsored by IT top-management; controlled by specific Steering Committees; and benefiting from a wide support and cooperation provided by all employees directly involved.

4.2.2.1 IT Communication and IT Portal

The IT Communication Unit had been already created, in 2008, on the sequence of a major restructuring of the IT Division, with the main *mission* of:

> "*to produce, develop, and publish, in all corporative channels and communication platforms, information contents related with Information Technology, with a distinctive image and a holistic approach that assured a permanent information flow with IT staff and internal clients*".

It has *played a major role during the Changing IT program*; being actively involved in its planning, joint-decision and implementation stages; namely on the set-up of an integrated communication plan, on the development of the program Site, production of periodical newsletters, specific communications, and participant testimonials.

Some of these formats and initiatives which have emerged along the program have been further reused for the regular IT communication process.

Along the 4th cycle of Learning Meetings (September, 2009) IT communication and its support instruments, in particular the *IT Portal implementation*, were important topics being subject to group discussion, proposals, and suggestions.

It has demonstrated to be an effective forum to discuss communication needs and requirements targeting different audiences.

Its results have been further incorporated on the current IT editorial lines, namely: *IT Executive Letter, IT Internal Newsletter, Did you know IT, How to do IT*.

Currently, the IT Portal is the *central repository for IT communication*; aggregating all relevant information delivered to its recipient via specific notifications and linked to its pages. It includes regular publications and reports; activity and project data; training support documentation; satisfaction survey results; facts and event notifications.

Since its implementation (in 2011) – initially being exclusively for IT employees, but now open to all Bank employees – the Portal exhibited an excellent activity growth (more than 50.000 accesses per year).

It covers the most relevant information associated to IT activities: News, Multimedia, and Training; Governance and Management information. It is now a major support for the implementation of the IT Communication Strategy.

4.2.2.2 IT Academy

Before the Changing IT program, employees' competence development and training actions – although some major initiatives had a specific budgetary planning and control process – were not subject to a systematic identification of needs, plan preparation, follow-up and evaluation, managed by a coordinated function.

This major gap and some associated issues have, repeatedly, emerged along the Learning Meeting discussions.

Also, Employee Satisfaction annual survey results have denoted a deficit on employee perceptions concerning their *training needs versus job performance requirements*.

So, along the 4th cycle of Learning Meetings this topic has been subject of deep group discussion; exploring employee perceptions on the current situation and associated problems; and stimulating their open contributions to develop the high potential idea of an IT Academy.

Based on these results it has been *developed a project* (4th quarter of 2009) *in order to set-up this new IT organizational unit*. It has been coordinated by an internal team; supported by consultants; and sponsored by a proper Steering Committee involving IT top-management.

The project covered the definition of IT Academy working models: (1) *strategic* (vision, mission, strategy, orientation principles, and objectives), (2) *governance* (structures, processes, KPIs, operational procedures, stakeholders and partnerships, logistics, and resources) and (3) *operational*.

Also, the *preparation of a set of initial training actions* for the IT Software Development process has been covered.

IT Academy has *started its activity in 2010*, covering the development of employee competencies along *five essential dimensions*: business, application, process, technology, and behavioural training.

Subsequent Employee Satisfaction survey results (2011 and 2012) have confirmed *significant improvements on employee perceptions about their competences*; mainly as a result of:

- the introduction of a *"business" dimension on employee training*, designed to develop internal customer proximity and global and specific (to fit job needs) business knowledge;
- a significant investment on *training associated to generative initiatives*, covering process improvement and supporting tools' adoption.

Also, the investment on *behavioural training* (Leadership and Communication, Interpersonal Relations, and Conflict Management) has created appropriate conditions to improve Employee and Internal Customers' Satisfaction levels.

Although in 2012 (due to strong budgetary restrictions) the number of training hours has decreased, it has been possible to preserve an acceptable *annual rate per employee* (17 hours, on average), with a *high level of satisfaction* (80%).

Currently, the IT Academy covers also internal customer training on usage of applications and services.

4.2.2.3   IT Process Improvement – CMMI for Development Certification

On the sequence of a complex project developed in 2002 and targeting the IT infrastructure externalization, a great effort had been put into the development of IT internal processes related to software (product) development and provided services.

Concerning service management and delivery (including service desk, and incident, problem, configuration, change, release, service level, capacity, availability, continuity, and security management) a significant investment had already been made on *adoption of best practices* (ITIL aligned), as well as on *associated tools*.

These practices were considered as quite satisfactory, aligned and stabilized, and did not constitute a concern for major transformational programs.

So, any associated certification (ISO20000 or CMMI for Services) had not been considered as a major priority.

On the *Software Development practices' front* the IT Division had already (2002) set-up an internal unit devoted to standardization and continuous improvement; working together with IT business relationship management, development, and quality control teams; and focused on Project Planning and Control.

In 2006, a first attempt had been made to identify current practices and improvement needs' recommendations; through a formal assessment supported by external consultants and following a CMMI for Development ML2 referential.

The results had pointed out to a significant set of improvements to be addressed before any application to any formal certification. Since then a lot of process improvement has been done; on a continuous mode; mainly following COBIT, PMBOK and CMMI orientations.

Along 2009, the *Changing IT Program has created a new opportunity, willingness, and self-confidence to face more transformational initiatives*; either for *process* improvement as for the replacement of the existing *tools*. These needs were quite evident, since its early beginning; and have triggered a top-management decision to initiate a strategic project targeting a formal SEI CMMI for Development certification.

The project, initiated in October 2010, has been led by the IT Software Improvement Unit; sponsored by a proper Steering Committee; supported by an external consultant; and has integrated members from IT Development and from Project Management Office. It has started with an assessment stage – contrasting current practices against CMMI guidelines – and has produced a formal report detailing the associated *gaps* and identifying main *improvements to be addressed*.

Following the decision to proceed with the certification goal, it has been developed a second stage – engaging all IT Development project managers – focused on the improvement of the Development Process; and redesigning it to cope, at least, with CMMI Maturity Level 2 orientations.

Before starting the formal Appraisal step, all the members of IT Business Relationship Management, IT Development, and IT Quality Control units have been extensively trained, and involved in the implementation of the associated process and data changes.

Also, the IT Project Management Office and the Software Process Improvement Unit activities have been redesigned to cope with the new support, control, audit, and quality assurance requirements. The Appraisal Process has started in June and has been successfully completed in July 2011.

4.2.2.4 IT Tools – Integrated Solution for Project Management

Although the IT Division already had in place a set of instruments to support Project and Portfolio Management (PPM) – previously customized to fit the main requirements associated with the whole process (feasibility study, requirements' definition, decision, analysis, software development, and test) – these tools exhibit a great *lack of integration* and *low flexibility* to evolve.

The conclusions of the Learning Meetings sessions have clearly evidenced these problems, pointing out to a *desirable replacement of these tools*. The imperative had been quite understood by IT top-management (due to its negative impacts on efficiency, effectiveness, and quality) as being a strong obstacle to agile process improvement.

In 2010 a Project and Portfolio Management project was started in order to select and implement a proper support tool to address primary needs related to a strong improvement on the Project Management and Control front.

A core team has been set-up in order to support the customization of the selected product. It has been led by the IT Quality Improvement & Organization Development unit, in strict cooperation with Project Management Office, and sponsored by a proper Steering Committee involving IT top-management.

The selection stage, highly participative, has also integrated a wide group of representatives from IT Business Relationship Management, Software Development, and IT Quality Control units.

All employees from interested parties (including management structures and customers) have been trained on the new tool, and the implementation has been successfully completed by the end of 2012.

4.3 EVALUATION CRITERIA

Having an Action Research intervention *two main integrated dimensions*; one concerning the "*action*" (associated with organizational change, development and learning); and the other associated with "*research*" (producing emergent knowledge which can be relevant to an outside community of researchers and practitioners); these two dimensions of evaluation are essential to appraise its success.

4.3.1 Organizational Change Evaluation criteria

The ***change program evaluation*** has involved the *previous identification and selection of a set of specific instruments* (table in Figure 69) to serve as a basis for the evaluation of the program.

Scope	Instrument	Evaluation Moments
Workshop and Training Actions Effectiveness	1. Culture Workshop Satisfaction Survey 2. Leadership Training Satisfaction Survey 3. Change Agent Training Satisfaction Survey 4. Methodologies Implementation narrative reports	At the end of each training action At the follow-up session

Internal Perception of IT Culture	5. Culture Survey
	  5.1. Dimension Values
	  5.2. Dimension Leadership
	  5.3. Dimension Information
	
	6. Self-evaluation Questionnaire on Leadership Practices
	
	7. Focus groups with employees
		Before and after the Program
		
		At the end of the Program
		
		Before and after the Program

Customer Satisfaction with IT Services	8. Annual IT Internal Customers Satisfaction Survey 9. Structured Interviews with Major IT Customers (top-level managers)	During the Program Before and after the Program
IT Improvement Actions Implemented	10. Characterization of the validated proposals and analysis of its implementation level	At the end of the Program

Figure 69 – Changing IT: Evaluation instruments
Source: own elaboration.

The Evaluation Methodology has integrated a significant set of ***"soft" indicators***, measured through perceptive information collected via *semi-structured interviews, surveys, focus group sessions*, *testimonials*, and *implementation reports.*

As depicted, *they have covered* not only the direct evaluation of the *program's main actions and its effects*, but also a *longitudinal perspective of Culture* (on its main dimensions) and its *impact on Customer satisfaction levels*.

Also, a significant part of the evaluation gives adequate relevance to the *implementation of methodologies which have been object of training*, as well as, to the *emerging strategic actions which have been implemented* during the second cycle of the intervention. In fact, by its relevance, they should be considered as the most g*enerative* part of organizational *learning* developed along the intervention.

On a complex intervention – developed within a "real world" context and targeting a multitude of integrated actions – the evaluation parameters are, often, conditioned by several kinds of reasons.

The first kind of reasons emerges from the wide scope, complexity, and changing nature of the intervention; constraining its measurement and not allowing either for (1) a fine tuning on the effects of its multiple dimensions, or (2) the isolation from effects of other parallel actions implemented within the organization (e.g., a new individual performance appraisal process).

The other kind emerges from the "real world" nature of the organization where the change and research process occurs. In fact, not being firms the best models for Experimental Labs (where the context, the research subjects, objects, and instruments are within a highly-controlled environment) all these aspects have to conform to real organizational settings and decisions.

Also, naturally due to the universal scope of the intervention – covering all IT areas and employees – it was not possible to set-up any kind of quasi-experimental process (Campbell & Stanley, 1963) using control groups.

However, the clear definition of change objectives; being measured by *specific evaluation parameters which have been defined in advance;* as well as the *formalization of evaluation tools and reports*; has acted as a grantor for evaluation rigour and relevance.

4.3.2 Research Evaluation

Traditionally a ***research program is evaluated*** on the basis of its predefined research targets, including how, and to what extent (1) it answers to the **Research Questions,** (2) the **Research Objectives** have been achieved, and (3) the **Research Hypothesis** have been confirmed, enhanced, or discarded.

However, ***the evaluation must not be resumed to this essential aspects***, being expected that it should also include:

- *explicit assertions concerning the emergent knowledge* (usually structured and expressed under the form of models, frameworks, and "management implications" which can be reused within other organizational settings);

- *some contribute to the development of research methods* (as a result of the researcher's reflection on what has been done); and, not less important,

- *some contribute for future research opportunities* (including the identification of new potential research problems, questions, objectives, and hypothesis).

While the first set of items (*research targets*) are formulated in advance (in the current case with an explicit formulation which is systematized in the tables depicted by Figures 2, 3, and 4); the remaining ones emerge essentially either as a consequence of those targets (*direct emergent knowledge*), or as an indirect result from the applied research process (e.g., *a contribution to improvement on research methods*), or from additional research needs (e.g., *future research opportunities*).

So, usually, although not being formulated in advance, they should be considered, after proper reflection, as relevant research achievements.

However, this reflection must be only done on the light of the specific organizational change results and achievements, including their specific meaning for the research dimension of the intervention.

4.4   ORGANIZATION DEVELOPMENT RESULTS AND ACHIEVEMENTS

Having previously defined the evaluation criteria for the Action Research intervention, it is important to give evidence of its achievements, considering two main *dimensions*:

- *Organizational* change, development, and learning, and

- *Research* results.

Within this item, the evaluation is done from an Organizational Development perspective, considering the essential aspects related to the transformational change which has been promoted.

As previously stated, only after a proper reflection concerning these essential change results, and considering the research targets, the research results will be formally evaluated.

As previously referred, the 1st cycle of Organization Development (entitled as the *Changing IT Program*) has integrated a set of structured actions targeting the following *main explicit organizational objectives*:

- to develop a S*ervice Culture* – customer oriented, and based on a more open and flexible internal communication structure;

- to develop and harmonize effective *Leadership practices* – valuating employee coaching, leadership skills development, and alignment of team attitudes towards values and principles;

- to promote the *Engagement and Participation* of all employees on the definition and implementation of service and internal functioning improvements.

Concerning the 2nd cycle of Organization Development the structured interventions *had targeted the implementation of a set of major strategic actions*, emerging from the 1st cycle employees' participative proposals approved by IT top-management. They have covered main areas of Training, Development and Communication, Leadership practices, Adoption of Best Practices, and Work Process Optimization and Implementation of Supporting Tools.

Before start evaluating the intervention it is important to proceed to a *clarification on its characteristics, in order to contextualize the kind of approach which has been developed.*

So, concerning the *kind of change* which has been promoted along this two-cycle organization development program, and according to Porras & Robertson (1992) classification, it can be

considered as a 2nd order planned change (multidimensional, multi-level, radical, and discontinuous, involving an organizational paradigm's rupture); this is, transformational, targeting "*changes in organizational climate and culture, with significant changes on working processes, organization structure, conception and management, according to a previous plan*" (Caetano**,** 2001).

In fact, it has been a *multidimensional intervention*, which has targeted a *multitude of objectives and areas*, such as "*the acquisition of leadership and management competencies, the adoption of new attitudes and behaviors towards organizational customers, the reorganization of some work processes and the assumption of new values and principles*".

It has implied *multilevel* actions, namely:

1. *at individual level:* targeting the acquisition of new leadership knowledge and competencies, stimulating the change of individual attitudes and behaviors;

2. *at group level (including intergroup relationships):* in order to improve work group dynamics and intergroup cooperation, developing and consolidating teamwork and group problem solving;

3. *at macro (organizational) level:* acting over organizational culture and values, working processes, and management practices.

It configures *a scenario of planed change* (Van de Ven & Poole**,** 1995) *built at the level of a single entity*; with development induction through a cycle of goal formulation, implementation, evaluation, and modification of goals based on what was learned.

According to Weick & Quinn's (1999) classification, it can be characterized as an *episodic change* (infrequent, discontinuous, and intentional), *occurring during divergence periods*, *where organizations are moving away from their equilibrium conditions* (Punctuated equilibrium model, Tushman & Romanelli**,** 1985).

These main characteristics can be clearly recognized within the time dimension's context of the intervention, where *after a previous long equilibrium period*, characterized by simple and isolated small-improvement changes not challenging the *status quo*, *a metamorphic change took place* as an effect of the *teleological* motor, with *strong top-management ignition and propulsion*.

On a *learning* perspective ("*detection and correction of error*"), as defined by Argyris (2002), a clear distinction must be highlighted between *single-loop learning* (which occurs when *errors are corrected without altering the underlying governing values*) and *double-loop learning* (which occurs when *errors are corrected by changing the governing values and then the actions*).

On the light of this categorization the 1st cycle (strategy determination and engaging), together with the 2nd cycle (implementation of structural actions) exhibit the appropriate characteristics to allow to classify the whole intervention as a *double-loop organization development and learning process.*

Incorporating Senge's (2006:p. 766) notion of generative learning ("which is about *creating*"), it can be then be asserted that, together, *both cycles of this large organizational transformation integrate and configure a double-loop, generative, organization development and learning process*, covering *strategy definition and implementation.*

Following this preliminary contextualization, the whole intervention (complex and holistic transformation) can now be evaluated on its two cycles; considering, for each of its multiple dimensions, its main stages, objectives, evaluation instruments, and results.

4.4.1 Organizational Culture and Values

Concerning the dimension of Service Culture and Values, figure 70 depicts its main stages, objectives, and evaluation instruments.

Figure 70 – Changing IT – Service Culture and Values: Stages, Objectives, and Evaluation Instruments
Source: own elaboration.

4.4.1.1   Main Steps

This dimension of the intervention has integrated the following main steps:

1. *Identification of the desired values* – consisting in a working session with IT Top-Management to identify the five essential values oriented to the desired service culture, namely: Global Service Vision, Results' Orientation, Cooperation, Competence, and Innovation;

2. ***Signalization of desired Attitudes and Behaviours*** – consisting of a full-day workshop session engaging all IT Employees (20 sessions, with 25 persons per session in heterogeneous groups). During these sessions the proposed IT Values have been presented and extensively discussed in its relationship with specific desired attitudes and behaviours. The main objective was to create shared meaning around values, and to raise awareness of a set of critical internal and customer related behaviours which are on the basis of service quality. As a material result of the active contribute from all employees, a participatory basis to produce a Bill of Values and Guiding Principles has been established;

3. ***Externalization of the desired Culture*** – it has mainly consisted on the systematization of all the information collected along the Culture Workshops, and on the effective production of the Bill of Values and Guiding Principles associated with an IT Service Culture;

4. ***Integration of the cultural component into appraisal*** – having been created a bill of values, this stage has mainly consisted into the definition of specific objectives to evaluate the implementation of values through practices;

5. ***Monitoring Values' practice*** – this stage would consist on the progressive integration of values on employee individual appraisal process.

4.4.1.2 <u>Main Results</u>

The results, measured through the regular Internal Customer's Satisfaction Survey, have evidenced an immediate improvement on service quality – very clear on items related to behavioural elements, pointing to new attitudes within the IT area (increased availability for customer attendance and more effective support on problem resolution).

Considering that the Culture Workshops have focused on these variables, it is valid to assert that there is an effective congruence between the investment and the perceived outcomes.

Based on the results of the interviews, it is possible to assert that the improvement effort, at internal process level and on service quality, has been visible for the customers' top-management structures.

Most of them have made explicit references to the teams' customer proximity and perceived the program, and its communication strategy, as an explicit evidence of a strong commitment to improvement – thus recognizing *Changing IT* as a structuring element for the new IT unit positioning (next to its internal customers).

The internal Culture Survey results also denoted a great congruency between Employees' and Internal Customers' perceptions – in the sense that they perceive the IT Unit culture positioning: a typical Market Culture, focused on results, with major attention on service delivery quality monitoring.

Although, within the Values dimension of Culture it has been denoted some enforcement on items related to a hierarchical culture – control, rule accomplishment, maintenance, and stability. In fact, besides the evident greater concern with customer satisfaction, employees still perceive the IT Unit as somewhat focused on internal processes.

4.4.2 Leadership practices

Concerning the dimension of Leadership Practices, figure 71 depicts its main stages, objectives, and evaluation instruments.
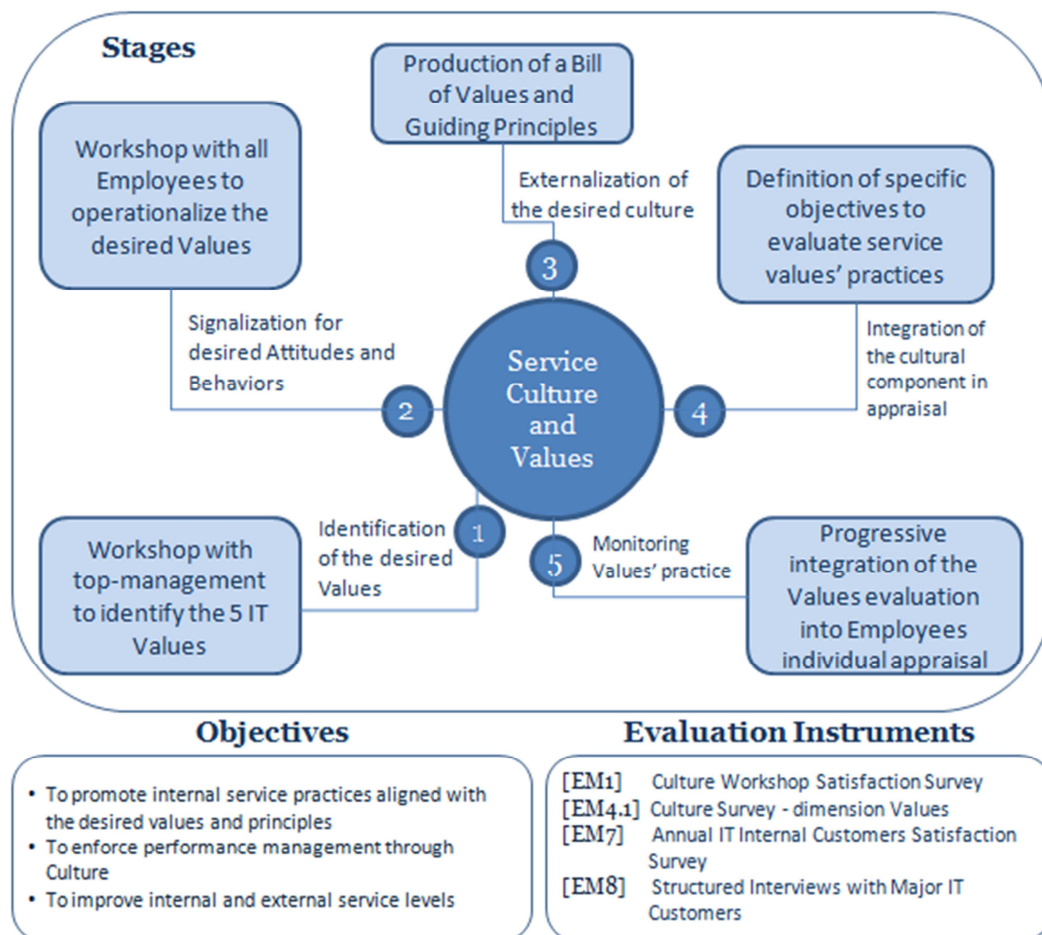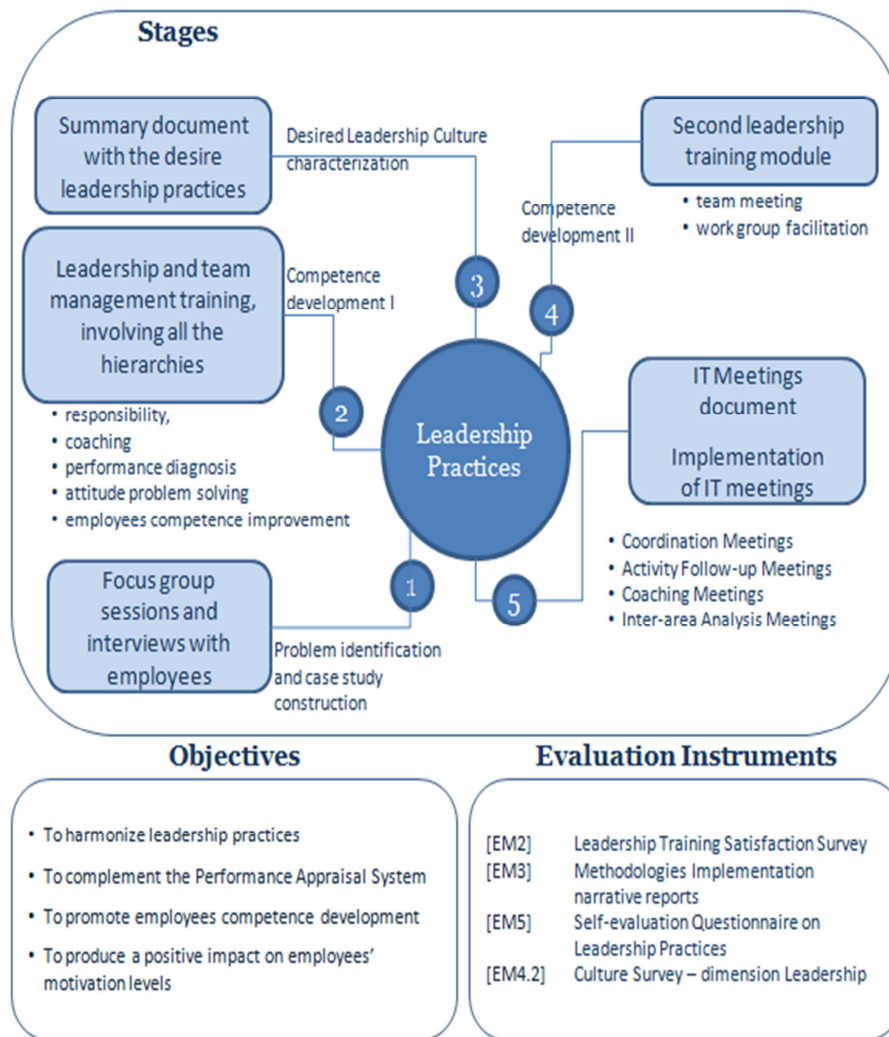

Figure 71 – Changing IT – Leadership Practices: Stages, Objectives, and Evaluation Instruments
Source: own elaboration.

4.4.2.1 Main Steps

This dimension of the intervention has integrated the following main steps:

1. ***Problem Identification and Case Study construction*** – consisting on the conduction of focus groups sessions and interviews with employees, in order to characterize current leadership practices, to identify leadership competences

development needs, and to collect information to produce case studies to be used for training purposes;

2. *Leadership competencies development I* – consisting of the conduction of six groups of training sessions with all employees with management responsibilities within the IT Division.

It has been worked with the groups the topics on accountability and coaching, performance diagnosis, employee attitudes problem solving, and employee competencies' development.

Each topic has been worked, using role-play simulations, in order to illustrate, in a practical way, how to apply these methodologies within a real work team context;

3. *Characterization of the Desired Leadership Culture* – consisting on the production of a document summarizing the desired Leadership practices, in accordance to the new IT Culture.

The leadership model which has been worked during training sessions has been operationalized in terms of behaviours and practices (e.g., method to conduct coaching sessions) and distributed to all hierarchical levels;

4. *Leadership competencies development II* – consisting on a second leadership training module where, mainly, the training group has worked on leadership competencies related to team meeting sessions conduction and work group facilitation techniques;

5. *Leadership practices monitoring* – based on the production and internal presentation of a policy document summarizing the essential principles for IT meetings.

The document included main orientations for (1) Coordination Meetings, (2) Activity Follow-up Meetings; (3) Coaching Meetings, and (4) Inter-area Analysis Meetings.

Within this step also a follow-up has been made, having been asked to IT Managers to share with their peers the implementation that they have already done of leadership practices with their teams.

4.4.2.2 Main Results

The satisfaction levels with leadership training have been very high.

Also, the volume and quality of associated methodologies' implementation has been quite remarkable, evidencing a change on the current perception that employees have about leadership practices. It has been observed a shift on employee perceptions towards the desired leadership culture. Now, they evaluate the leadership style and practices of their direct hierarchies as being more close to them, more objective, and focused on results.

The leaders, themselves, became more exigent concerning their own practices. On most situations, employees are more satisfied with the individual objectives definition process, the way they receive feedback, and the form how leaders deal with attitude problems.

Practices which have been assumed as mandatory (e.g., individual performance appraisal meetings and team coordination meetings), has evidenced more expressive implementation levels. It is also visible a growing attention to the development of employee technical, business, and behavioural competencies.

Coaching is done mainly at direct hierarchy level, but still in a poorly structured way and more focused on supporting short term tasks. There is still a low frequency on medium-large term employees' support. This heterogeneity on the coaching process implementation is perceived by the team leaders, which consider it as an opportunity for improvement.

It is also visible some difficulty to delegate – with its impact on the growing volume of operational work done by intermediary leaders, and its implications on their lower availability to carry on some leadership tasks directly related to employees follow-up and support. The results of the focus group sessions held with employees evidence the existence of a significant volume of work still being carried out at a hierarchical level upper than recommended.

Globally, the results evidence a very positive impact of the leadership training component of this program – which, jointly with the reformulation on the institutional performance appraisal process, has implied a shift, towards the desired direction on the leadership style perceived by employees.

4.4.3 Employee Engagement & Participation

Concerning the dimension of Employee Engagement and Participation, figure 72 depicts its main stages, objectives, and evaluation instruments.
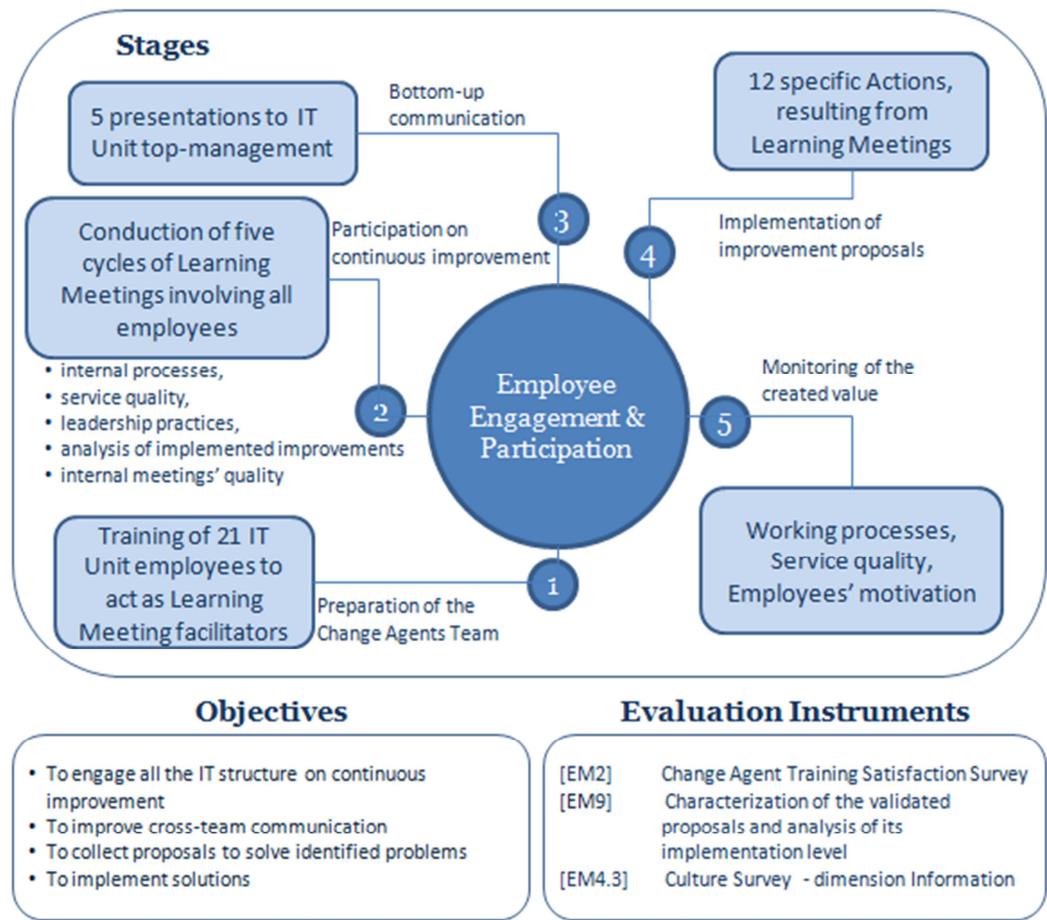
Figure 72 – Changing IT – Engagement & Participation: Stages, Objectives, and Evaluation Instruments
Source: own elaboration.

4.4.3.1 Main Steps

This dimension of the intervention has integrated the following main steps:

1. *Preparation of the Change Agents Team* – consisting on the training of 21 employees, preparing them to facilitate the Learning Meeting Sessions for all the IT employees.

   Their preparation has been made along a 4-day initial training session complemented by several follow-up sessions. The team has been supported in permanence by the program coordinator and the project consultants;

2. ***Participation on continuous learning and improvement*** – centred on the implementation of four cycles of Learning Meetings, including all employees.

   Specifically it has been asked to each employee an active participation, once a month, on a 1 hour meeting (with 15 participants per session) where a problematic case study was analysed, and reflection was done on the best way to solve the situation.

   Each cycle of sessions had a global topic for analysis and discussion, namely: internal processes, quality of customer services, leadership practices, actions to implement, and quality of meetings;

3. ***Bottom-up Communication*** – at the end of each of the five cycle of Learning Meetings, where the Change Agents Team have systematized and presented to IT Top-Management the main contributes (perceptions-problems-ideas-solutions) provide by all IT employees;

4. ***Implementation of improvement proposals*** – where twelve main actions have been structured for subsequent implementation;

5. ***Monitoring of created value*** – analysing and evaluating the benefits which emerged from the several actions which have been implemented – at the level of work processes, service quality, and employee motivation.

4.4.3.2 Main Results

All the critical tasks of this dimension have been completed with success, including: five cycles of Learning Meetings, five presentations to IT Top-Management, the design of its implementation plan, and its further implementation.

It has been quite evident a high-level of intervenient' satisfaction – either from oral feedback or from recorded employee testimonial (available at the program site).

The bottom-up communication mechanism, created by all employees and reciprocated by top-management, has generated an effective dynamic towards improvement actions implementation.

Twelve important actions were identified and structured – with distinct impacts at internal organization, processes, and service quality levels.

IT Academy and IT Portal were some the most relevant; emerging from them a significant change on the perceptions about internal forms of IT communication.

Undoubtedly, the results measured through the internal culture survey evidenced a global shift towards more flexibility in information / communication within the IT Unit.

4.4.4 Second OD Cycle – Main actions' results

As already detailed, *as a strategic outcome from the first cycle of the intervention it have been emerged a set of strategic decisions pointing out to a coordinated development of structural actions* covering Training, Development, Communication, Leadership, Adoption of Best Practices, Work Process Optimization, and Tools Implementation.

Configuring a double-loop generative learning process, they represent important outcomes and achievements. Not only by its results, but also because they have set a new structural basis to enable future Quality Improvement and Organization Development initiatives.

Despite the research targets (questions, objectives, and hypothesis) are focused on the first cycle of the intervention, it is important, form a perspective of its major outcomes, to highlight the results of the projects which have been developed at the second cycle.

So, within this section the objective is not to provide an extensive narrative of the evaluation that has been made for each project, but essentially to highlight its success and meaning, as a consequence of a major organizational transformation.

4.4.4.1 IT Communication and IT Portal

Since its creation in 2008 (before the Changing IT Program) the IT Communication Unit has played a major role linking IT and its Customers; as well as the whole IT community. It has progressively evolved; from a small initial group devoted to the production of IT Executive Letters and Internal Newsletters, to a structured unit which puts communication on the agenda of the IT areas: a living information vehicle to engage people, to connect them, to cross organizational boundaries, and to support working activities.

It has played a central role on the Changing IT Program, as well as on all subsequent major initiatives; cooperating, as an active information vehicle; giving intensive visibility to messages, events, and testimonials.

It has grown, absorbing the proper values of the program and incorporating them along the process: a *global service vision*, with deep *orientation to results*; using their *competence*, in strict *cooperation* with the other areas and teams; and producing *innovative* solutions to support the program.

The acquired knowledge from this deep experience has been, widely and wisely, incorporated into the Unit's activities; including editorial lines, supporting tools, and channels.

A good example of this acquired knowledge incorporation is the IT Portal. This must be understood across two major dimensions.

The first dimension is a material one: based on the discussions concerning internal and external communication that have been stimulated along the 4th cycle of Learning Meetings, the emergent knowledge (employee perceptions of problems, ideas, suggestions, and solutions) was used as a requirements' specification to the development of the IT Portal.

The second dimension is more technical and structural: the acquired knowledge from the experience of developing the program site has been, further, reused to design and implement the Portal.

Also, being the IT Portal a working instrument (used to support IT activities and associated data) the knowledge which has been obtained at a previously project on IT Conceptual Data Modelling has been (re)used on the design of its underlying information model.

Another effective learning outcome from the program – the practices of a segmented approach to target audiences on communication programs, synchronizing messages with actions, using appropriate communication tools, and integrating it onto a communication plan and process – has been also object of reuse, being now incorporated as a current usual practice.

Being the associated organizational unit a focal point for IT organizational communication, information sharing is one of its most relevant domains of activity. This is valid to periodical communication via regular publications within IT editorial lines, but also to activity and projects information.

A good example of its active participation in IT major projects is the strict cooperation with IT Academy major training activities (supporting projects like IT Process Improvement and CMMI Certification, as well as the Implementation of the Project and Portfolio Management Tool) where all communication actions (integrated in the

associated Communication Plans) have been planned and coordinated with the IT Communication Unit. Also all relevant information has been made available via IT Portal.

Currently all the information and documentation associated with IT Academy activities is available at IT Portal.

Also, the IT Portal, initially devoted to be an IT repository of information, has evolved. It is now open to serve IT Users. So, currently, all information related to IT Projects (including its status reports, new functionalities being included in IT Software Applications, and divulgation notes on how-to get a best usage of services) is now available to IT Users; being good examples of this evolution.

The progression of IT Communication, evidenced by these important services on the domain of User and IT support, denote the success of IT Communication and IT Portal; as major functions and instruments to support an active policy of innovation, competence, and cooperation between both organizational communities; supporting continuous improvement on products and services provided to support the business.

4.4.4.2 IT Academy

IT Academy, IT Quality & Organization Development, and IT Communication are essential structures.
Currently, they work together to develop IT people, systems, and processes, in order to promote quality, organizational effectiveness, and satisfaction.
The strong cooperation between these areas had its origins on the Changing IT program, were the current members of these teams have intensely cooperated on the setup and development of its main stages.

IT Academy; besides supporting the development of IT Employee competencies along regular training activities and IT User training; has also a major collaborative role on the most relevant IT Organizational Development initiatives.

This active participation is clearly visible on its engagement, on the training dimension, in generative learning internal projects, like IT Software Process Improvement, CMMI

Certification, Project and Portfolio Management process improvement, and Tool Implementation.

This cooperation is also evident for IT User training; particularly when major Software Application Systems, with major user impact, are developed and require adequate formal training plan processes.

Concerning development of IT Employees, the IT Academy does not remit itself just to a "*traditional technical training*" support role, but addresses new important areas to promote "*corporate citizenship*" and to develop "*core workplace competencies*".

The strong investment which has been done in the domain of *behavioural training*, including the areas of Leadership and Communication, Interpersonal Relations, and Conflict Management, is a good example of these actions. They are in line and on the sequence of the work that has been promoted along the Changing IT program; and target the development of the desired culture and values; through leadership and engagement, cooperation, creative thinking and problem-solving. This has created appropriate conditions to improve individual and group effectiveness; which are on the basis of the raising of Employee and Internal Customer Satisfaction levels.

The introduction of a "*business literacy*" dimension on employee training – in order to develop global and specific (to fit job needs) business knowledge – is also another successful example of competence development diversification; promoting internal customer proximity and enlarging employees vision about the institutional activities and their role within the value-chain.

The positive effects of IT Academy are largely confirmed; either directly by the evaluation of training actions; or, not less important, by the significant improvements on employee perceptions about their competencies adequacy (expressed via regular Employee Satisfaction Surveys along the two first years of activity).

4.4.4.3   IT Process Improvement – CMMI for Development Certification

One of the most structuring actions which have been developed corresponds to the IT Process Improvement project which has conducted to a CMMI for Development Certification.

The effective Appraisal Process, which has started in June 2011, has followed a formal SEI SCAMPI A process (SCAMPI Upgrade Team, 2011). It has been led by an external authorized SEI Lead Appraisal, which has coordinated the work of ten appraisal team members (two of them from the Bank Audit Department).

It has integrated a regular SEI sample from all IT Projects, and has directly involved 60 employees along 30 appraisal interview sessions.

All generic and specific practices associated to the goals inherited to the seven process areas included in CMMI for Development Maturity Level 2 (*Requirements management; project planning; project monitoring and control; supplier agreement management; measurement and analysis; process and product quality assurance; and configuration management*) have been deeply evaluated.

It has been an intensive process, where the members of the appraisal team, as well as the IT Teams members and their leaders, have been actively engaged on collecting, analysing, and evaluating evidence from current IT norms and practices.

It has been verified that, for all practice areas, the generic and specific goals were fully satisfied.

So, according to this, at 12 July 2011, the IT Division has been awarded with a SEI CMMI for Development ML2 Certification; with *full implementation, being all generic and specific goals satisfied for all practice areas, without any weakness*.

This corresponds to a significant external recognition of the great effort which has been put on process improvement, aligning it with external standards. Also, it has acted as incentive to proceed with a previously identified project targeting the selection and customization of an integrated tool to support those process areas (as recommended by the appraisal team).

4.4.4.4   IT Tools – Integrated Solution for Project Management

Along a successful IT Development process improvement project, culminating with a CMMI for Development ML2 Certification, a set of processes has been aligned. Its definition has served as the main initial requirements' base to select and customize an integrated solution for project and portfolio management.

Reusing previously created and tested engaging dynamics a wide involvement has been reached along this project; thus contributing to a solution which had considered all its stakeholders. Using the active support of IT Academy and IT Communication units, training has been provided to all interested parties, and stakeholder communication along all the process has been enhanced.

By the end of 2012 the new integrated solution has been implemented with success.

5 REFLECTION & MAIN CONTRIBUTES

REFLECTIONS ON CHANGE RESULTS AND ITS GLOBAL EFECTS	▪ THE EMERGENCE OF RELEVANT CHANGE RESULTS	
	▪ THE EVIDENCE OF SIGNIFICANT CHANGE IMPACTS	
	THE MEANING OF CHANGE RESULTS AND IMPACTS	▪ EMPIRICAL GAP
		▪ METHODOLOGICAL GAP
• RESEARH HYPOTHESIS AND INTERVENTION FINDINGS		
RESEARCH RESULTS AND CONTRIBUTE	▪ A PRAGMATIC APPROACH TO THE ACTION RESEARCH PROCESS	
	▪ A FRAMEWORK OF CRITICAL SUCCESS FACTORS FOR HOLLISTIC CHANGE	
	▪ MAIN CONCLUSIONS	

5.1 REFLECTIONS ON CHANGE RESULTS AND ITS GLOBAL EFFECTS

Having previously detailed, for each change cycle, dimension, and action integrated into the intervention, the essential aspects of its evaluation, it is now important to *produce a **balance** of the most relevant change outcomes; summarizing its main **results** and final **effects**; before progressing to a wider **reflection** concerning the research achievements*.

Figure 73 depicts those main cycles and dimensions of change, and highlights its most significant results and final effects.
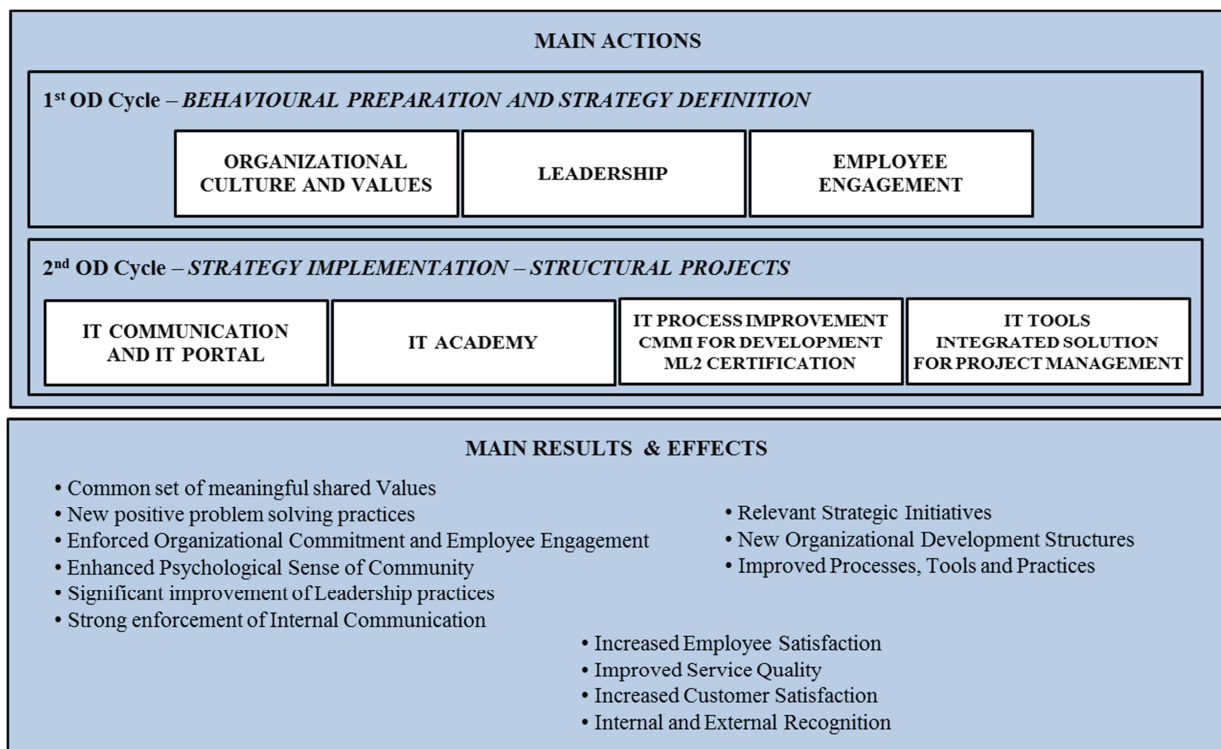
Figure 73 – Global Change Evaluation: Main Results and Effects
Source: own elaboration.

5.1.1 The emergence of relevant Change Results

The emergence of a significant set of change results denotes that a transformational change has occurred as a result of a participatory strategy definition and implementation.

To get a better understanding of how they have been achieved, an analysis must be done, following an Organization Development perspective, focused on the major theoretical

foundations which are subjacent to the main actions' orientations (on the light of the existent literature), and making sense of what has been done and achieved.

So, *from an action-result perspective*, it is important to emphasize the following *essential aspects*:

- *Common set of 'meaningful Values'*: *changing the governing values* as a preliminary basis to change the course of action (Argyris, 2002); *aligning espoused, attributed, shared, and aspirational values* (Bourne & Jenkins, 2013); considering them *on the critical path from believes, norms, and attitudes to promote desired behaviours* (Ajzen & Fishbein, 1981; Ajzen, 1991); and *following a specific Value-Based Management process* (Vargas, 2005); has been a successful strategy to enforce *organizational identity and identification*, *organizational commitment,* and *employee engagement*, developing a *psychological sense of community* within the IT organizational unit;

- *New 'positive problem solving' practices*: the usage of *participative meetings* involving all employees on small heterogeneous groups; in short duration facilitated sessions; as a form to *decrease resistance to change* (Coch & French, 1948); *promoting employee participation and involvement* (Lawrence, 1969); using *education and communication, participation and involvement, facilitation and support as proper strategies to decrease resistance and increase commitment* (Kotter & Schlesinger, 1979); and using *positive problem solving techniques*; has introduced a process which has proved (as evidenced by the results of the learning meeting sessions) to be effective in order to *promote peer interaction on problem identification, discussion, positive contributions, mutual enrichment, and proposals for effective solutions*;

- *Enforced Organizational Commitment and Employee Engagement*: creating the "*necessary bounds of engagement*" (Balain & Sparrow, 2009) in terms of *motivation and incentive to bound*, *organization identification*, *internalization,* and *psychological ownership* resulting in "*promotion of change*" (Pierce, Kostova & Dirks, 2001); *using values' congruence to promote affective commitment to the organization* (Mowday et al., 1982; Meyer et al., 2002; Roe, Solinger & Van Olfen, 2009; Howell, Kirk-Brown & Cooper, 2012; Burne & Jenkins, 2013); has demonstrated to be an *excellent strategy to promote individual and group engagement on change*.

This has been made *particularly evident* by observation of individual behaviours contributing to group performance during learning meetings, video, and written testimonials; as well as through the narratives of the sessions and its high relevant outcomes;

- **<u>Enhanced 'Psychological Sense of Community'</u>**: as a consequence of the *active employee involvement* and internal *open communication* strategies which have been put in place around the program (Dessler, 1999); a multiple *sense of membership, influence, integration and fulfilment of needs, shared emotional connection, and responsibility* configuring the base dimensions of *Psychological Sense of Community* (Sarason, 1974; McMillan and Chavis, 1986; Nowell & Boyd, 2010; Boyd & Nowell, 2014); has emerged; *"turning" the organization into a real living community* (Mintzberg, 2009); and progressively creating the *proper conditions to* a strong, active, and visible *employee engagement on change,* which has emerged;

- **<u>Significant improvement of Leadership practices</u>**: as a consequence of specific *leadership training*; involving all employees with management responsibilities and *covering the main processes* (accountability, monitoring, competence development, and attitudinal alignment) of Vargas' (2004) pragmatic approach to leadership; the volume and quality of associated *methodologies' implementation* has been quite remarkable; evidencing *a positive change on the current perception that employees have about leadership practices.*

  The *leaders* became more demanding concerning their own practices; *employees* evaluate their direct hierarchies leadership style and practices as more close to them, more objective, and focused on results (as evidenced by the leadership survey conducted after the program).

  Employee surveys, conducted before and after the program, give *strong evidence of a relevant increase on satisfaction levels*, particularly those related to their direct managers;

- **<u>Strong enforcement of Internal Communication</u>**: being *communication, participation, and facilitation key strategic drivers to positively influence individuals and groups towards change* (Kotter & Schlesinger, 1979); considering its *expanded role to "address the effects of small group networks, superior-subordinate communication, and*

communication climate on employee satisfaction and performance" (Krone, Kramer, & Sias, 2010); *moving from micro-level interpersonal issues to more macro-level ones* (Jones et al., 2004); and being *"an integral part" of participative processes* (Seibold & Shea, 2001); a *special emphasis has been given to the communication process along the whole program*.

In fact, communication, engagement, action, and improvement were the *most relevant attributes of the program*; benefiting from a strong engagement of the *IT Communication Unit*.

Communication has been a *focal strategic tool to leverage the process*, but also a *focal area of discussion* within the program. In fact, IT Communication and its main instrument (the IT Portal) have been deeply discussed by all employees along "learning meetings".

As a result of these discussions *new communication processes, tools, practices, editorial lines, and publications have been incorporated* within IT Communication regular activity. The Program itself has been *externally recognized as a winner* of a Portuguese Association of Organizational Communication Award in 2010;

- **_Relevant Strategic Initiatives centred on participative practices_**: using *Employee Commitment* (Mowday et al., 1982; Meyer & Allen, 1991; Dessler, 1999; Meyer et al., 2002; Roe, Solinger & Van Olffen, 2009); creating a *Psychological Sense of Community* and acting on its components (to improve *psychological well-being* and motivate *pro-social-behaviour* during a *change event*); using its positive relationship with *collaborative learning* (to *influence a group's ability to generate alternative ideas and solutions to problems*) (Boyd & Nowell, 2014); the "*Learning Meeting*" sessions, involving all employees, have played a major role on the identification of strategic initiatives; configuring *extra-role behaviours* on the basis of *contextual performance* (Borman & Motowidlo, 1997).

The pragmatic strategic outcomes, in terms of the *employee-proposed structural actions approved by IT top-management* (see "twelve main relevant actions" emerging from the step "proposal selection and decision", in 4.3.1.2.8), give clear evidence of this "*employees contribute to organizational effectiveness with actions not directly related with their main functions, but which are important as they model the organizational,*

social, and psychological context which serve as a critical catalyser to task activities and processes" (Cunha et al., 2005:p. 243);

- *New Organization Development Strategical Structures*: based on the *success of the first cycle of the program*; which has created within the IT organization a *sense of urgency* to implement new structural actions and functions, as well as a strong spirit of *self-confidence on organizational capabilities* to drive the whole process; *new organizational structures have been created* to support the several *organization development initiatives*.

  IT communication activity has been enlarged and improved, and three major units have been created within an IT management support office: a *Software Process Improvement Unit*, the *IT Academy Unit*, and a specific *IT Quality and Organization Development Unit*. Together these Units have *coordinated the second cycle main projects*, which have been *sponsored by IT top-management*, benefiting from the creation of *specific Steering Committees*, *involving relevant organizational units and employees*, *external providers,* and *specialized consultants*; and

- *Improved Processes, Tools, and Practices*: as a *result of the main projects which have been developed during the second OD cycle of the intervention* several *processes have been aligned and improved* (employee development processes; internal and external communication; application portfolio and project management; software development; and application documentation process).

  Also, *more flexible and integrated tools have been implemented* to support those processes (IT Portal to support IT communication, IT Project and Portfolio management tools have been integrated and enhanced to support software development projects).

  New IT practices have been developed in strict alignment with these new set of processes and tools; being more mature; aligned with international standards; and certified by independent entities (CMMI for Development).

  This set of *strategically coordinated improvement actions* have been implemented using *high-participation* mechanisms and *wide-communication* processes, which have been *developed, learned, and tested* along the first cycle of the intervention, thus *engaging relevant stakeholders* along all the process.

5.1.2 The evidence of significant Change Impacts

Besides these prominent results, some highly significant *impacts have emerged from the program as a whole*, evidencing a *global chain of effects*, namely:

A. *High increase on Employee Satisfaction*: as a global result of the several actions which have been implemented, *employee satisfaction levels* (Figure 74) *exhibited a remarkable increase along the program, as well as a visible sustained growth along the immediate years*.

Particularly, as a result of *Leadership competence development actions*, Employee Satisfaction levels *with the Organizational Unit and Direct Manager* evidenced a remarkable evolution.

Also, as a consequence of the *communication and engagement dynamics* which had been set up, *Motivation* exhibits an evident progress.

The positive impact of *IT Academy* has also been reflected on employees' evaluation of *"adequateness of training to job enactment"*;
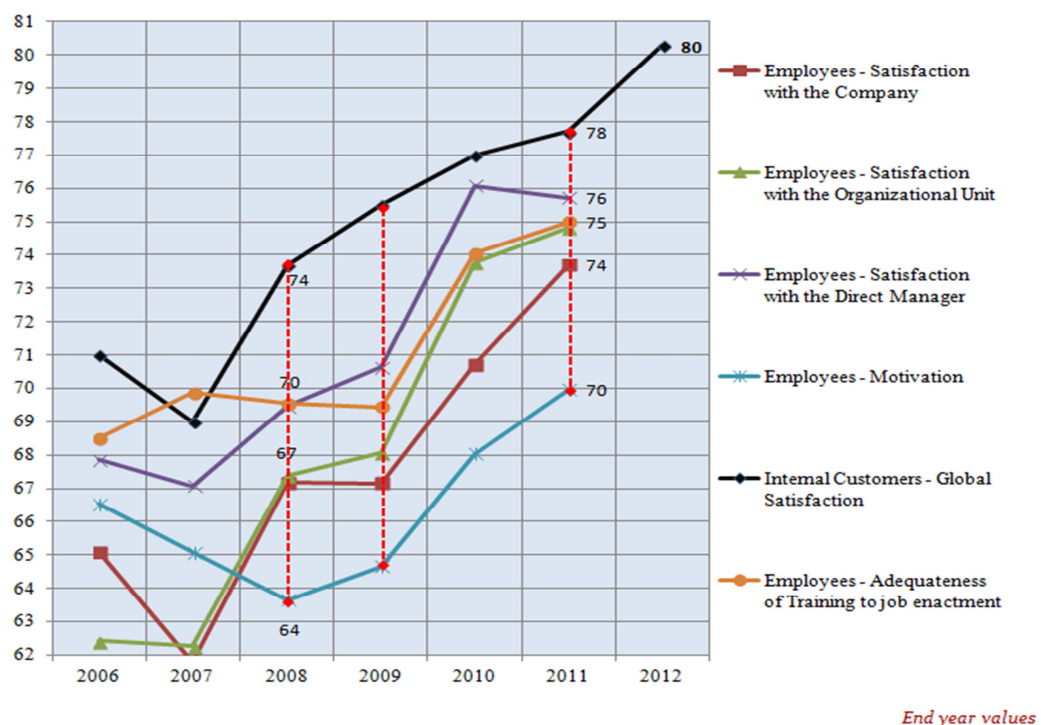

Figure 74 – Sustained evolution of Employees and Internal Customers' Satisfaction Levels
Source: own elaboration.

B. ***Relevant improvement on Service Quality***: the special attention which has been given along the program to the *improvement on Customer Service Orientation* (a specific culture change objective, explicitly reflected on "IT Values", and discussed during the "Service Culture Workshop" and "Learning Meetings") has conducted to *behavioural and process changes* on the way the IT Unit communicates and serves their internal customers.

The "*way of doing things*", including the mode of internal and external *cooperation, communication, and working processes,* has dramatically changed.

This has promoted a *relevant improvement on service quality*, already visible (and testified) by main customer representatives interviewed at the end of the first OD cycle;

C. ***High increase on Customer Satisfactions***: sustained by *employee engagement on continuous improvement* (including attitudinal and process changes), *Internal Customer satisfaction* (whose score before the Program did not still reach the "satisfied" level of 75 index points); *evidenced a significant progression*; projecting the index to higher levels, *above the average institutional scores*.

Although the intervention had just started by the end of 2008, some previous effects are also visible (Figure 73) as a result of some relevant actions which had been taken along 2008 by a new appointed IT Top-manager.

These actions had included: (1) the IT Unit restructuring, with the creation of specific Customer support units; (2) a deep technological infrastructure renewal, with high impact on systems availability and response time; (3) improvements at the level of software applications, including new functionalities and enhanced operatives; and (4) the launching of some new IT internal and external communications initiatives.

Strong sponsorship and commitment from a new IT Leader has created previous "*structural*" conditions to engage on more deep changes, targeting a service-oriented culture, and stimulated the whole "*hearts and minds*" *employee engagement* based on a *new vision* supported by *meaningful values*;

D. ***High-level of Internal and External Recognition***: as a final effect of the whole program, where employees have engaged actively, their expectations have been met and their satisfaction levels have risen accordingly. *Trust and self-confidence on organizational capabilities to promote OD strategic initiatives has significantly increased*. When questioned (along the CMMI certification project) about the most significant initiative

along the last years within IT, they cited the Changing IT Program has the most relevant one. When asked to propose a relevant proposal for the future, they also focused on a similar initiative, involving people and empowered groups engagement.

Also, as a result of people and team engagement on new, optimized, work processes, *service quality has improved, meeting internal customer expectations, and resulting in a significant improvement on their satisfaction levels*. Customers' top-representatives testimonials, as well as formal Customer Satisfaction Surveys gave clear evidence of this.

As a benchmark, *the Changing IT Program has also been recognized by the external community at national level* (Portuguese Association for Organizational Communication), being awarded as 2010 best organizational learning initiative.

5.1.3 The meaning of change's results and impacts

This reflection, concerning the main results and final effects of the whole transformational change program on the light of what has been done, drives us to the ***effective filling of two kind of organizational gaps***:

- ***Empirical gap***: solving problems within context and, as a result, introducing direct improvements, with evident results;

- ***Methodological gap***: developing a set of methods and procedures within the organizational settings, which induce learning, with capability for future application to the same settings.

As previously evidenced, and highlighted through this reflexion, these two gaps have been successfully filled within the IT Unit of intervention.

5.1.3.1   Empirical gap

The intervention which has been done within this organizational context (on a planned and structured way; based on tested theories and practices; and transposing them internally; and covering together the Organizational Culture and Values, Leadership, and Employee Engagement domains) has produced its results; involving people; solving problems; producing important strategic initiatives; and producing generative organizational learning which has been used to sustain subsequent improvements.

Such a wide program has contributed to:

- ***higher employee engagement*** : actively cooperating on common organizational problem-solving, through the discussion, analysis, and proposal of specific course of action;

- ***develop of specific leadership competencies***: enhancing the ability and willingness of all-level IT Managers to influence, on a daily basis, their work teams and members to face common problems, contributing to organizational effectiveness;

- ***develop individual and group attitudes and behaviours***, centred on meaningful common values aligned with a desired service-oriented culture.

These results have been clearly evidenced; had high impact on Employee and Customer Satisfaction levels; and have provided a solid basis to leverage, day-to-day, continuous improvement; as well as, to facilitate future transformational strategic changes.

So, based on this, it can be stated that problems have been solved within context; significant direct improvements emerged; and its results were quite evident.

This means that a significant empirical gap has been properly filled.

5.1.3.2   Methodological gap

Within the methodological field, the introduction of ***new processes and tools*** of organizational alignment, involving a discontinuous, planed change, focused on organizational behaviour dimensions, has allowed:

- its *adaptation* and *adoption* within the specific context of the IT Unit;
- the *planning* and *implementation* of future actions;
- the *development* of proper conditions and ways for its integration; and
- the *creation* of conditions and processes for its future usage.

In the current case the set of methods and procedures which have been specifically developed and applied within the IT Unit, have produced its results; have induced organizational and individual learning; and represent a high-valuable asset, with great potential for future reuse.

This means that an existent methodological gap has been properly filled; revealing new methods, processes, tools, and organizational dynamics which can be adopted by the organization on future similar situations.

Not being *the followed methodologies, the developed processes, the implemented actions, and the associated results,* *generalizable* *to other contexts and situations*, they *represent*, however, *two* *major relevant aspects* *to be highlighted*:

(1) within the context of its application, they have successfully *confirmed the theories, techniques, and tools which have been congruently applied*;

(2) as a whole, they represent a *high-potential for application* to other *similar* interventions targeting *similar* objectives, within *other* organizations, being subject to specific *adaption* and *adoption* of new strategic processes.

This drives us to a subsequent *reflection on* *how the emergent knowledge* (which has been generated along the intervention) *can be translated into some kind of theoretical "meta-knowledge"* *which could be used or developed on further interventions*, either by practitioners, or by academic researchers.

5.2   RESEARCH HYPOTHESIS AND INTERVENTION FINDINGS

Before progressing to the presentation of the specific research results and contributes, it is important to summarize how the major findings emerging from the intervention confirm the research hypotheses which have been formulated.

The table in Figure 75 provides a cross-reference between these two main elements, as a preliminary step to the formulation of a Framework for Holistic Change Critical Success Factors.

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
RH01. A holistic Process, involving People, through Meaning creation, and using an Ethical basis, will create appropriate conditions to facilitate change objectives, and increase satisfaction levels	The Intervention, consisting on an integrated set of highly participative Strategy Determination (1st Cycle) and Strategy Implementation Actions (2nd Cycle), has targeted a synergistic effort involving Individuals and Groups, mobilizing the whole Organization toward common objectives of Organizational Transformation and Learning. Covering simultaneously domains of Organizational Culture and Values, Leadership and Employee Engagement, using an Organization Development approach (1st Cycle) and an integrated Project approach (2nd Cycle) it has consisted as an Holistic Approach to Organizational Transformation, integrating the People, Process and Tools dimensions of the Organization. Real participation and communication mechanisms have contributed to create the necessary Trustworthiness Climate to promote Employee Engagement, aligning Ethical practices around common Values. Together these mechanisms and dynamics have acted as change facilitators, promoting relevant outcomes and increasing Customer and Employee Satisfaction levels.
RH02. Top Management Sponsorship, a Coordination Team, and an active / independent Change Agents Team, together with Leadership Training and Group Learning Sessions, will promote Leadership practices development, and Employee Engagement and Participation	The People dimension has been the kernel of the program, focusing on its individual, group, and organizational distinct roles inside the organization. Top-management, intermediary management and employees have been the main targets of the program. On its 1st Cycle they have been mainly inspired to change, trained and put together in small discussion groups discussing organizational issues and proposing strategic initiatives which have been implemented along the 2nd Change Cycle. For the purpose, organizational structures and roles have been set-up in order activate people participation and to support the whole process. Sponsorship (both initial and sustaining) at all management levels has been a major concern to trigger and support the whole program.

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
	Also, a Coordination Team has been set-up and empowered to articulate all the initiatives, as a navigation team which has acted as a program planning and as a program management and control entity. Its members, acting in deep sintony, have been acted together as permanent links with all the program intervenient and stakeholders. Being the whole program an active and interventive initiative, covering complex domains and dimensions of the organization thorough Employee participation, special attention has been given to these main aspects. A proper Change Agents Team has been specifically trained and engaged on the Change objectives and process. They've quickly progressed to a mature self-organized Team, evidencing a deep Psychological Sense of Community, and propagating a deep spirit of participative cooperation to all Employees along group learning sessions (the Learning Meetings). Leadership Training and Management Engagement, together with Employee Engagement and Participation, has been a main action to facilitate change and to learn and assimilate, across all the Organization, specific mechanisms and dynamics to support future change initiatives.
RH03. A strong focus on Values and Participation, along group open discussions concerning organizational life, will facilitate active cooperative behaviors and outcomes	Since its early stages the program has focused on two of its main foundational aspects: the relevance of Organizational Values and its alignment (espoused, attributed, shared, and aspirational), as well as a strong investment on Employee Participation. This has been rooted on a wide communication dynamics which has been established and planned, promoting an open environment to inspire change initiatives' discussion. As a preparation step – inspiring people to change – the discussion sessions on Values have launch the seeds to promote trust, engaging attitudes, and active and contributive behaviors from all Employees. Major issues concerning organizational life have been discussed and significant outcomes have emerged, on the light of group participation, which have revealed the importance of this synergistic contribute to organizational strategy definition and further implementation.
RH04. Small-group thematic (case-based) Learning Meetings, focusing on problems' solutions, within an open, positive and participative	To implement a pragmatic form (i.e., a participative, engaging and open-communication mechanism which could produce tangible results in synchrony with the change objectives) these main Values and Employee

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
discussion, crossing organizational boundaries and supported by independent Change Agents, will produce internal learning and knowledge, as well as objective structured contributes for strategic actions	Participation dimensions should be applied on the terrain through proper support structures and dynamics. Benefiting from the active contribute of the Change Agents Team, a set of integrative Learning Meetings have been prepared, facilitated and adequately reported on its major outcomes. The group discussion process has revealed itself as a proper approach to positive problem solving, engaging all employees on strategic issues discussion, promoting strong generative organizational learning, and giving a relevant contribute to IT organizational development strategy. Meaningful Study Cases have been previously developed by the Change Agents Team in order to trigger Learning Meeting participative discussions engaging all Employees on their contribute to learning and development. The sessions have followed a proper script, starting with cases' analysis, triggering individuals' problem perception, analyzing it from an organizational perspective, seeking for its base roots, evaluating alternative solutions, and providing positive and creative feedback for management decisions. For these discussion stages, in order to produce integrative and synergistic effects, active participation rules have been defined and enforced by the Changing Agents along the sessions. Transparent feedback has been provided to all Employees and proposals have been structured in order to be presented for decision to the IT Top-Management team.
RH05. Using a bottom-up mechanism – based on inclusive, open, and participative group discussions, and its transparent presentation to Top Management – will increase cross-organizational communication, cooperation, and change-related significant outcomes	This bottom-up mechanism has demonstrated to be an effective process not only to produce strategically relevant outcomes, but also to dissolve organizational boundaries blockage to change. The intentional heterogenic composition of Learning Meting groups has, in fact, contributed to break organizational boundaries, congregation distinct visions on main organizational problems, thus enriching the potential of the discussed solutions. New organizational communication habits have been instilled and used on further actions.
RH06. Meaningful values shall be a good basis to promote cross-organizational engagement. Participative definition and discussion of those values, across all the organization, will enforce its sharing / alignment, promote positive attitudes around them, and stimulate congruent behaviors	Specifically, the common set of organizational values (global service vision, results' orientation, cooperation, competence, and innovation) has been enforced on practice, being applied along the program, and propagated to further initiatives and to daily organizational life. In fact, this has been started with Management discussions and selection of meaningful values aligned with the new (desired) Organizational Culture patterns, being further subject of deep discussions engaging all Employees. This

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
	discussion, highly-participative, has contribute to enforce Organizational identity and Identification, creating a spirit of strong affective Commitment, and a Psychological Sense of Community which has been developed, explored, and consolidated along the Learning Meeting sessions. In fact, these strong, meaningful, and congruent values have been explicitly referenced along these meetings, as well as within employee testimonials collected along the program.
RH07. Clear Communication along the program, and involving all the stakeholders, will create trust, informing people, engaging them, and getting positive feedback	An integrated Communication Plan has been one of the major instruments which have been designed in advance in order to congregate all employees around such a deep transformative process. It has considered all the stakeholders' information and participation needs, using the most suitable communication channels to deliver the necessary messages. They have been synchronized with the intervention most significant actions and events, developing adequate positioning, and using proper channels.
RH08. A bi-directional communication process, collecting direct feedback from change agents, and testimonials from managers and employees, will create a positive climate to engage on change, contributing to the enforcement of change messages	Creating trust through transparent information and getting feedback through employee testimonials has been a major characteristic of the program. This has resulted into a deep engagement, producing highly innovative solutions to organizational problems which have been turned into structuring actions being implemented along its 2nd Cycle of Organizational Development. Also, the permanent communication channel established, on a daily and informal basis, between the Change Agents Team and all Employees has positively contributed to enforce a positive climate to allow for change to happen. The permanent link between this team, the program coordinator, and the navigation team, has allowed for an adequate control (and just in time adjustments) of the whole program during its execution.
RH09. On the Ethics dimension, the success of such a process requires transparency and trustiness, and an active voice process, involving communication, engage, action and improvement. Creation of Meaning, should cross all the organizational boundaries, involving the definition of an Inspiring Set of Organizational Values, the use of Study Cases, Transparent Decisions, and Testimonial and Constructive Feedback, supported by an integrative Communication Plan. People must be	As a result of the whole program – as it has been conceived, designed, and implemented – considering its set of dimensions and critical success factors, success has been mainly achieved due to the holistic approach to organizational transformation which has been envisioned. This includes not only the integration of a multidisciplinary approach integrating the domains of the intervention (Culture and Values, Leadership, and Employee Engagement), but also the level of attention which has been paid to the necessary confluence of a multiple set of critical success factors. In fact, the evaluation of results confirms the hypotheses which have been formulated, on the basis of the assumptions which have been used to model the program.

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
actively involved, which requires, strong Top-Management Sponsorship, with a Coordination Team, and an active Change Agents Team on the real groundwork. Leadership Training is essential to promote Manager Engagement, and get Employee Engagement and Participation. An adequate Process must be set-up to promote the desired change – with a Diagnostic Model, a Program Structure, and Evaluation Methodology, and a Rigorous Evaluation of the whole intervention.	In fact, Ethics, Meaning, People, and Process dimensions have been carefully put on the focus of the intervention. On the Ethics dimension, it is important to highlight that the success of such a process has required main attributes such as transparency and trustiness, dynamically integrated onto an active voice process. The dynamics of the process can be summarized by a strong sequence of verbs: communicate, engage, act, and improve. Another foundational dimension of the process has involved the Creation of Meaning within all the Organization, crossing its boundaries and dissolving organizational silos. This has involved the definition, alignment, and assimilation of an Inspiring Set of Organizational Values and its discussion. Using meaningful Study Cases to promote joint discussions within short-duration Learning Meetings has conducted to important structured strategic proposals to be presented to IT Top-Management Team. A Transparent Decision process has increased Employee trust on the process, thus progressively increasing their engagement and participation on the next sessions. Also, the collection and divulgation of a significant set Testimonials produced by distinct actors on the process, within different roles and responsibility levels, has produced an effect of Constructive Feedback with a significant impact on self-confidence, empowerment, affective commitment, and engagement. A previously established Communication Plan, integrating all aspects of information and participation has acted as a determinant of change success, giving visibility to all main roles of change sponsors, advocates, agents, and targets. Based on Ethics and Meaning as an engaging basis, People (Individuals and Groups) have been engaged and the whole Organization has been mobilized to change. Change Agents have been the most determinant factor to engage people, Top and Intermediary Management Sponsorship visibility has confirmed the relevance given to the change process. A Coordination Team had planned the process in advance, and constantly supported the main control and adjustment aspects of the program. Managers have been trained to be effective Leaders in consonance with the envisioned kind of change to be promoted and their engagement had been stimulated and monitored. A special attention has been paid to Employee Engagement and Participation, in order to make change happens as desired. This confluence of initiatives has embodied the major aspects of the People dimension.

RESEARCH HYPOTHESIS	MAJOR FINDINGS EMERGINGING FROM THE INTERVENTION
	On the top of this (based on Ethics, developing Meaning, and actively involving People), an adequate set of Processes were aligned to manage the intervention. Mainly, they have included an appropriate Diagnostic Model, a proper Program Structure, a clear Evaluation Methodology, and a Rigorous Evaluation along the whole intervention. The success of the intervention along its whole dimensions has confirmed the virtues of the process and its main outcomes, as a result of considering this set of major aspects as critical success factor for holistic participative change. Thus, research hypothesis have been confirmed, and a process approach to Organizational Transformation using Action Research, as well as a set of Dimensions and Critical Success Factors for this kind of Organization Development initiatives have emerged. They integrate the major emerging Knowledge elements of this research.

Figure 75 – Research Hypothesis and the Major Findings emerging from the Intervention
Source: own elaboration

5.3 RESEARCH RESULTS AND CONTRIBUTE

Despite theory and practice are distinct perspectives within Action Research interventions, there are, clearly, *critical moments where "theory meets practice"*, including when:

- *searching for research meaning and directions:* identifying new problems to be addressed, formulating associated questions, objectives, and hypothesis, to be tested along the change interventions;
- *doing the literature review:* studying the organizational context and the intervention domains to be addressed; and matching existing internal and external relevant knowledge in order to plan and design the approach;
- *implementing the approach:* continuously identifying, on the ground, specific problems and issues, and searching/using theoretical knowledge to base (imprinting rigour to) specific actions;
- *evaluating the "organizational" and "research" meaning of achieved results.*

So, there is a *special moment of truth* – where *input knowledge* and *action research results* have a *major confluence point* – responding to questions like: What has changed? What has been achieved? What does this means? What was learned? What knowledge has been produced?

This implies a deep *balance and reflection;* seeking for **emergent knowledge, in line with the research questions, objectives, and hypothesis;** and providing *main conclusions* concerning *the work which has been done*, its achievements, limitations, and future research opportunities.

Also, as previously asserted, *the **process** to reach these **results***, *achieving the research targets, is not negligible*.

*Despite any discussion concerning "the **means** and the **ends**" justification; which we will not take here; both are important.*

In fact, within a research process, it is not only important to put the *right questions* to get the *right answers*, to use the *right resources* to get the *right outcomes*, but it is equally relevant to find the *right way* to achieve it.

This implies a proper *choice, adoption, interpretation, adaptation, and application* of *a research method* which must be *well-recognized by the research community* and *suitable to be applied* for the *purpose* within the *research environment*.

As previously stated, according to the research characteristics and change context, Action Research – particularly participatory action research with insider positionality – has been considered as the most appropriate for the situation.

However, as already mentioned, multiple approaches and principles are subjacent to distinct Action Research traditions.

To precise the "*kind of Action Research*" we were working on, we had formerly stated the set of principles followed by our approach. For the purpose we have referenced that it was in line with the specific perspectives of Shani & Pasmore (1982), Gummesson (2000), Coghlan & Brannick (2010), and Stringer (1996).

However, these principles, although establishing an important refinement on the main orientation and guidance for conducting the research, they do not "prescribe" a specific and precise process to be followed.

This has been felt as a special need; particularly in terms of articulating "process" with "data" and "action" with "research".

So, for the purpose we have produced an *overview on the way we have understood and applied* the Action Research Process within this organizational context. It includes these essential aspects.

Together with a Framework for understanding the Critical Success Factors for Holistic Change, it integrates the two most relevant contributes of this Research.

5.3.1 A PRAGMATIC APPROACH TO THE ACTION RESEARCH PROCESS

Being Action Research a process with "*the double burden of testing hypotheses and effecting some (putatively) desired change in the situation*" (Argyris & Schon, 1989); where "*there are two action research cycles operating in parallel*" (Coghlan & Brannick, 2010), a "*core (1st one) action research cycle*" and a "*thesis (2nd one) action research cycle*" (Zuber-Skerritt & Perry, 2002); involving "*two goals: solve a problem and contribute to science*" (Gummesson, 2000); "*doing research **in** action, rather than research **about** action*" (Coghlan & Brannick, 2010); *it is important to understand **how the "action" and the "research" dimensions intimately interleave along the process**.*

In this specific sense, it has been naturally felt the *need to draw a **meta-process** providing an **overview** of how the **action** and **research** dimensions, including **process** and **data**, should be **articulated** in order to form a **cohesive** action research approach.*

Independently of the *target areas to be addressed* and of the *specific steps to address it within context, **the process should be applicable to action research within a general organizational context***; highlighting the main research steps; and consubstantiating a typical organization development and change approach.

This has implied to "*stand back and reflect*" over its essential characteristics; proper "*ways of doing*"; and potential for achieving relevant research and organizational outcomes.

It has been a **conceptual exercise** – abstracting from the current case and "*designing*" for a general situation – **driven by what the literature informs us about the subject**.

So, a **meta-process**, linking together the action and research cycles, has resulted, as a "*semi-product*".

Although Organizational Transformation using Action Research is not an industrial organization process (being, on the opposite, strongly rooted on cognitive, affective, and behavioural aspects of direct human intervention), the term "product" is used here only to give a more "tangible" illustration of its enormous potential.

Reflection, together with participation, is one of the most generative aspects of Action Research.

From that reflection on "*what has been done and achieved*" **three main conclusions emerged**:

- **there are no "final" products:** every single result exhibits good improvement opportunities to be explored;
- **"sub-products" ("quick wins") should be understood as simple as that:** those little things that are important for concept proofing and trust development; but which should never compromise the main targets;
- **there is no single "main product":** Action Research applied to Transformational Holistic Change always helps to solve a lot of distinct problems (which means generating a lot of "semi-products") and, also, opens a lot of "gaps" to be explored; both, for organizational profit, and for knowledge improvement interests.

On the current situation, in order to develop a complex transformational research and change program, it was felt the need to draw a clear, systematic, and understandable meta-process overview; rationalizing "what we were just doing".

Figure 76 tries to give an overview of this process, depicting *how we understood the paradigm, adopted, adapted, and applied within this organizational context.*

It evidences, under the form of a *process metamodel,* the critical sub-processes and main data, linking together these two dimensions. It is not an exact, final-proof, detailed diagram, But, as any model, just a simplified representation of reality from a limited angle, requiring further research and development. Its purpose in only to facilitate a visual understanding of the process and the main associated data.

Using a *Data Flow Diagram* topology, the *processes* are represented by "*round corner rectangles*"; *data* is represented by "*data stores*"; and *information flows* by "*directional arrows*".

Elements associated with the "*action*" cycle (process and data) are highlighted in *blue* colour, being the ones more deeply correlated with the "*research*" cycle highlighted in *pink*.

Data flows which are represented by *red lines* intend to evidence the data–process interactions between the "action" (A) and the "research" (R) dimensions.

In order to facilitate understanding, the diagram has been simplified.

So, *external entities* and associated data flow interactions were not represented, as well as *direct flows* between processes.

Figure 76 – Action Research: Main Processes and associated Data (our Applied Process Metamodel)
Source: own elaboration.

A straightforward reading of the diagram based on the identified **sub-processes** and evidencing its interleaving cycles can be done as follows:

A1. *Identify Organizational Objectives and Change Approach:*

Based on a relevant *initial organizational problem* definition and on adequate knowledge of the *organizational context*; define *organizational objectives* to be reached through (and by) change.

A *change approach* is chosen with a set of main characteristics which should be consistent with the problem, the objectives, and the context;

R1. *Review Relevant External Knowledge:*

Based on *external knowledge* (necessary to support the definition of the *research approach*, or the development of an organizational diagnosis, or the design of the change intervention) the necessary *literature review data* is selected.

This should include three main dimensions: (1) research method, (2) research domains, and (3) organization development and change literature;

R2. *Define the Research Approach:*

Based on the *change approach characteristics*, on the relevant knowledge from the *organizational context*, and on an *initial organizational problem* statement; produce the *research approach* definition, considering the *literature review* results;

A2. *Develop an Organizational Diagnosis:*

Having in mind the *organizational objectives*, the *change approach characteristics*, and the results of a purposeful *literature review* for the purpose; develop (in place and cooperatively) an *organizational diagnosis* (identify the current situation and problems; the desired situation; its main characteristics; the inherit gap; and formulate the change objectives);

A3. *Design the Change Intervention:*

Based on the results of the *organizational diagnosis* and considering the relevant external knowledge aspects (from a specific *literature review*); produce, participatively,

the *change intervention design* (including change plan and stages, associated relevant questions, stage objectives, and change evaluation parameters);

R3. *Formulate Research Targets:*

Based on the *organizational diagnosis* data (current situation and problems, desired situation and characteristics, inherit gap, and change objectives), on the *research approach* definition, and considering the essential aspects of the *change intervention design* (plan, stages, stage objectives, and change evaluation parameters); define the main *research targets* (identifying research questions, and formulating research objectives, and research hypothesis);

A4. *Do the Intervention (Staged):*

According to the *change intervention design* which has been previously defined and using internal knowledge; intervene in order to produce the inherit *change results*, updating *internal knowledge* accordingly.

This usually corresponds to a staged, sometimes iterative, process, which produces its outcomes (immediate actions, behavioural changes, new processes, strategic redirection, and emergent knowledge).

Being Action Research typically participative, with knowledge discovery along the process, and interim decisions; new *internal knowledge* is generated.

Also, *change intervention design* can be updated (new change questions can emerge, associating new stages, with new objectives, and evaluating parameters).

Research targets (questions, objectives and hypothesis) must be permanently in mind in order to preserve them from being affected by adjustments in change intervention design.

Eventually they can be changed (not affecting main objectives) or even there can arise opportunities to add new research targets in accordance to action plan enhancements;

A5. *Evaluate the Intervention:*

Based on the *change results* (which have been produced along the intervention stages) and contrasting them with the *change evaluation parameters* established during the change intervention design process (stages, plans, questions, and objectives); produce a *change evaluation*.

This analysis often adds new elements to the *Internal Knowledge* base;

R4. ***Reflect on Action and Research:***

This step is the first one of a set of important activities conducting to new, explicit, external knowledge.

It consists on a reflection on the action which has been accomplished; based on the changes which have been promoted (*change results*), and its evaluation (*change evaluation*); contrasting them with the *research targets* (questions, objectives, and hypothesis) in order to make explicit the *research results* (as a preliminary step to its evaluation);

R5. ***Evaluate the Research:***

Based on the explicit *research results* (obtained through reflection) and comparing them with the pre-defined *research targets*; produce a *research evaluation*;

R6. ***Generate Relevant External Knowledge:***

Based on the *research results* and on the previously produced *research evaluation*; generate relevant *external knowledge* (to be used on further research and/or be applied within the same or other organizational context).

A special note is required concerning this narrative description of the process**:** although a "sequential" reading has been followed (under the form of a set of structured specification narratives) in order to facilitate its understanding, the Action Research process *must not* be understood as a sequence.

In fact their constituent processes should, instead, be considered as part of a stepwise refinement along a two-dimensional cycle; where successive iterations contribute to refine the associated outcomes; being the inherit data updated by each process at each iteration.

Also here, the model is oversimplified in order to facilitate its visual reading.

So, *a research opportunity exists* to detail and refine the process, testing it along other interventions and organizational contexts.

Currently, *it represents a process which has proven to work well as a main referential* for the current intervention.

Being independent of the organizational context and of the material dimensions of the intervention, it can be generally used for this kind of research approach.

5.3.2 A FRAMEWORK OF CRITICAL SUCCESS FACTORS FOR HOLISTIC CHANGE

As previously stated, *the intervention* did not intended to produce, directly, new theoretical contributes to the associated disciplines. It was designed to **raise relevant internal knowledge and organizational improvement and learning in order to fulfil empirical and methodological gaps; using Action Research with holistic change**.

However, some **reflection applies here** concerning **holistic transformational change** and the **learning aspects associated with the research which has been conducted**:

It was, mainly, about "*connecting the dots to get the big (whole) picture*" patterns; rather than study any dot in depth. It is a *breath* approach, rather than an *in-depth* one. Of course, it is important to enhance the dots, in order to interconnect them. But, this research intended to reach, and get, the "*whole face*". All *faces* are different, but the *dot's connection* allows its recognition through a set of **common characteristics**. Here, it has been recognized, by its characteristics, *a new whole face for change*: more communicative, participative, value based, and people-friendly. So, less tense, less deterministic, less bureau-made. It is a new **holistic, people and values-based approach to change**. And it has a **set of critical success factors and characteristics that enables us to recognize a pattern, configuring a global framework**.

The *research questions, objectives, and hypothesis* which had been formulated (as summarized by tables in figures 3, 4, and 5) already pointed out to an investigation covering these *patterns*.

According to the research *objectives*, it would be *necessary to find a process*

(1) to address a *complex, transformational, planned* change;

(2) using a *multidimensional and integrative approach*, based on an holistic, open systemic vision;

(3) targeting IT *Quality Improvement and Organization Development* actions;

(4) involving the *empowerment and the use of parallel structures* to support participative problem solving; and

(5) benefiting from a *sustained sponsorship* from all management levels.

For the purpose, *the approach should consider that*

(1) *there is no "best unique process or solution"* for a complex set of problems;

(2) there is a *set of interconnected critical success factors* for the process which must be identified and addressed;

(3) the process should not only deliver its own direct results for the identified problems, but also *produce structural results* emerging from the process itself;

(4) *organizational double-loop learning* should be a result from the program; and

(5) some of the outcomes should be reflectively evaluated, in order to enhance what is the *emergent knowledge*.

Despite these emergent knowledge aspects cannot be entirely reproduced and generalized to be applied "*as-is and outside context*", it is important to highlight its *characteristics which, undoubtedly, can be successfully **adapted** and **adopted** by other organizations*.

So, **on a research and on a management utility perspective**, relevance must be given to some key *emergent knowledge* which represents the ***essence of the approach and the basis of its success***.

Figure 77 evidences those essential aspects, under the form of ***critical dimensions, grouping a set of critical success factors*** which are detailed bellow.

An ***integrated reading of the associated Dimensions and Critical Success Factors*** must be done as follows:

• on the ***Ethics*** dimension, it is important to highlight that the success of such a process requires *transparency* and *trustiness* and an *active voice process.* It can be summarized by a sequence of strong verbs: *communicate, engage, act, and improve*.

• another crucial dimension involves the **C*reation of Meaning*** across organizational boundaries. This includes the definition of an *Inspiring Set of Organizational Values*; the use of meaningful *Study Cases; Transparent Decisions*; *Testimonial and Constructive Feedback;* all being supported by an integrative *Communication Plan*.

• having Ethics and Meaning as an engaging basis, ***People*** must be actively involved. This requires *Top-Management Sponsorship;* a *Coordination Team;* an active *Change Agents Team* on the real groundwork. *Leadership Training* is essential to promote *Manager Engagement,* as preconditions to ignite *Employee Engagement and Participation*.

• on the top of this, an adequate ***Process*** must be set-up to promote the desired change; with a *Diagnostic Model*, a *Program Structure*, *Evaluation Methodology*, and a *Rigorous Evaluation* along the intervention.
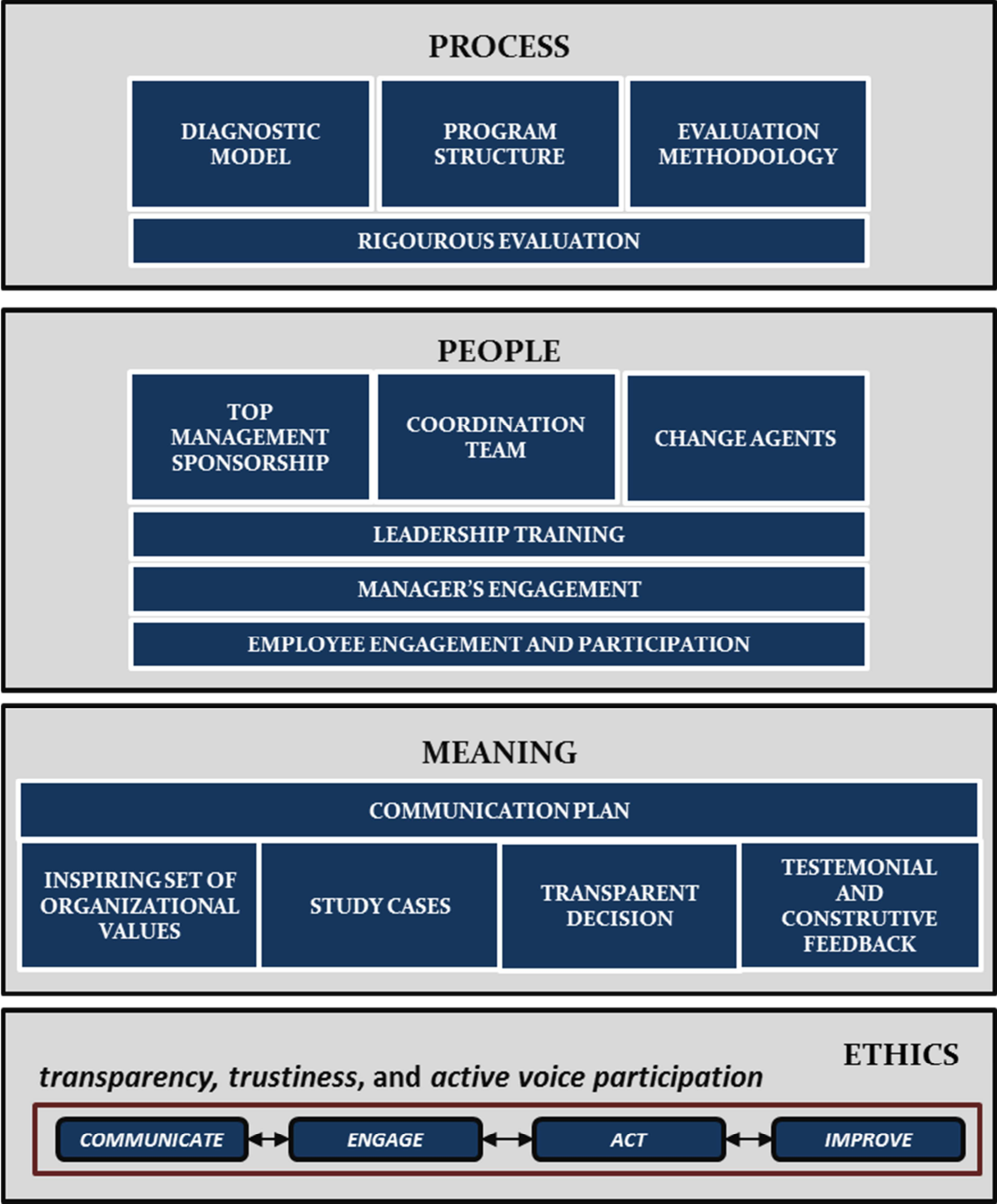

Figure 77 – An integrative Framework of Critical Success Factors for holistic transformational change
Source: own elaboration.

Included in these dimensions are important ***critical success factors*** with some essential ***characteristics***, namely:

PR1. Diagnostic model*:* Use of a *solid, well-tested, and extensive model* for organizational diagnosis; facilitating the identification of *current states,* change *gap analysis*, and providing adequate information to *draw the intervention's plan*;

PR2. Program structure*:* Proceed to a *clear and adapted design*, including *diagnosis*, *intervention,* and *evaluation;* producing *structured reports* for each phase and ensuring a proper program management, accurate decisions, and adequate stakeholder's expectation management;

PR3. Evaluation methodology*:* Previous definition of a *set of evaluation instruments and parameters*; including *longitudinal* dimensions, *hard* and *soft* measurements; in order to measure individual actions' results, as well as, overall effects;

PR4. Rigorous evaluation*:* Clear analysis and formal reporting on the developed actions along the program; its objective evaluation; and the production of adequate improvement recommendations for future action;

PE1. Top management sponsorship*:* *Strong*, *active,* and *visible* top-management engagement; both for the *launching* of the program and for its future *sustainability*; continuously supporting all the subsequent transformational initiatives; developing trust and evidencing commitment to inevitable change;

PE2. Coordination Team*:* Set-up of a coordination team to guarantee, along the intervention, the *engagement* of the main stakeholders; ensuring balanced and differentiated knowledge *competencies* (theoretical and professional).

It is essential to guarantee a proper *management* (planning, organizing, and controlling) and *active influence* (leadership) for *common achievements* along such a wide and complex program, and to facilitate *cross-boundaries communication* and *multiple participative links*;

PE3. Change Agents*:* An "*inspired to change*", *active, and committed* Change Agents Team, representing all the organizational sub-units; with a clear definition of roles

and responsibilities; well-trained and with full autonomy to assume their mission within the process.

This is crucial for the success of a catalytic action developed along change implementation;

PE4. Leadership training: Direct classroom training, concerning essential aspects of the role of the leader in its individual relationship with each employee, and on the development of its relationship and communication with the team.

It is crucial to develop influential skills, authenticity, and the mutual trust, necessary to potentiate results, within the spirit of desired change.

Participation, use of role-play, and simulation are desirable ingredients to create a positive change dynamics;

PE5. Manager Engagement: Guarantee of a perfect, visible, and continuous identification of all management levels with the transformational process.

This is absolutely necessary to guarantee employee trust on the process, based on the congruence between change messages and day-to-day practices' behavioural evidence.

Enforcing all leaders' commitment to an effective transformation, with testimonial visibility, and along all stages and actions, is a prerequisite for the success of the program;

PE6. Employee engagement and participation: Direct involvement of all employees, using empowerment mechanisms, and contributing to positive and specific problem solving, along joint learning meeting sessions, and crossing organizational boundaries.

It is essential to remove change restraining forces and to promote synergies conducting to positive results.

Motivation; creative participation on solving critical problems; alignment of organizational values; inspiring attitudes; and behavioural stimulation are on the critical path to change;

ME1. Communication plan: Set-up of a *structured and extensive* communication plan, synchronizing all the *actions* with the appropriate key communication *events;*

segmenting *stakeholders*, targeting *messages*, developing adequate *positioning,* and using proper *channels*. Essential to guarantee adequate levels of engagement, visibility and expectation management;

ME2. **Inspiring set of Organizational Values***:* Participative definition of referential values for the whole organization; with strong meaning for each employee; aligned with the transformational change objectives.

Critical to promote an effective development of organizational identification, to promote a psychological sense of community, to assimilate the value of change, and to stimulate sustained extra-role behaviour;

ME3. **Study Cases***:* Set-up of an integrated set of meaningful hypothetical cases to be worked on during group learning meetings; stimulating employee participation; producing creative open solutions and action oriented initiatives.

Using it, as representing situations which are similar to the real world of the organization, on a facilitated positive problem solving approach, can be a major asset to address real solutions for real organizational problems (thus increasing employee identification with the emerging strategic initiatives);

ME4. **Transparent Decision***:* Clear structuration of non-filtered proposals emerging from the employee collaborative process; its independent presentation by the Change Agents Team to top management; and the corresponding level of deciders' adherence. Determinant to guarantee trust within the process and to enforce further support and constructive participation from all employees;

ME5.**Testimonial enforcement and constructive feedback***:* Continuous communication of results and achievements, and inherit employee perceptions about change progression.

It is a central process to eliminate eventual cognitive dissonance effects and to propagate a pro-active climate for subsequent improvement actions and initiatives.

Continuous publishing of meaningful testimonials, enforcing positive massages, and reporting strong involvement, should be considered as a focal strategic link with and between employees.

As a *holistic approach integrating the main preconditions for the success of change*, **this framework**, which has *emerged from the research*, **answers to the research questions** initially set (Figure 2), **achieves the research objectives** (Figure 3), and **aligns with the hypothesis** previously formulated (Figure 4).

The table in Figure 78 provides a **cross-reference between the research hypothesis and the framework** which has emerged from the program.

RESEARCH HYPOTHESIS	FRAMEWORK OF CRITICAL SUCCESS FACTORS FOR HOLISTIC CHANGE
RH01. A holistic Process, involving People, through Meaning creation, and using an Ethical basis, will create appropriate conditions to facilitate change objectives, and increase satisfaction levels	*Covered by the framework, as a whole, through the integration and relationship between its dimensions: Ethics, Meaning, People and Process.*
RH02. Top Management Sponsorship, a Coordination Team, and an active / independent Change Agents Team, together with Leadership Training and Group Learning Sessions, will promote Leadership practices development, and Employee Engagement and Participation	*Covered by the dimensions of **People** and **Meaning** and its associated Critical Success Factors, particularly **Top-management sponsorship; Coordination Team; Change Agents Team**; Group Learning Sessions using **Study Cases**, Leadership practices development, using **Leadership Training** and promoting **Manager Engagement**, and **Employee Engagement and Participation**.*
RH03. A strong focus on Values and Participation, along group open discussions concerning organizational life, will facilitate active cooperative behaviors and outcomes	*Covered by the dimension of **Meaning**, including the following Critical Success Factors: **Inspiring set of Organizational Values, Study Cases, Transparent Decision, Testimonial enforcement and constructive feedback, and Communication plan.***
RH04. Small-group thematic (case-based) Learning Meetings, focusing on solutions to problems, within an open, positive and participative discussion, crossing organizational boundaries and supported by independent Change Agents, will produce internal learning and knowledge, as	*Covered by the dimension of **Meaning** (including **all of its critical success factors**); Supported by the **People** dimension (**Change Agents**).*

RESEARCH HYPOTHESIS	FRAMEWORK OF CRITICAL SUCCESS FACTORS FOR HOLISTIC CHANGE
well as objective structured contributes for strategic actions	
RH05. Using a bottom-up mechanism - based on inclusive, open, and participative group discussions, and its transparent presentation to Top Management - will increase cross-organizational communication, cooperation, and change-related significant outcomes	*Covered by the dimension of **People** and its associated Critical Success Factors, particularly **Change Agents** and **Employee engagement and participation**.* *Covered by the dimension of **Meaning** and its associated Critical Success Factors, particularly **Inspiring set of Organizational Values, Study Cases,** and **Transparent Decision**.*
RH06. Meaningful values shall be a good basis to promote cross-organizational engagement. Participative definition and discussion of those values, across all the organization, will enforce its sharing / alignment, promote positive attitudes around them, and stimulate congruent behaviors	*Covered by the dimension of **Meaning** and its associated Critical Success Factors, particularly **Inspiring set of Organizational Values**.* *Covered by the dimension of **People** and its associated Critical Success Factors, particularly **Employee engagement and participation**.*
RH07. Clear Communication along the program, and involving all the stakeholders, will create trust, informing people, engaging them, and getting positive feedback	*Covered by the dimension of **Meaning** and its associated Critical Success Factors, particularly **Communication plan**.* *Covered by the dimension of **People** and its associated Critical Success Factors, particularly **Employee engagement and participation**.*
RH08. A bi-directional communication process, collecting direct feedback from change agents, and testimonials from managers and employees, will create a positive climate to engage on change, contributing to the enforcement of change messages	*Covered by the dimension of **People** and its associated Critical Success Factors, particularly **Change Agents, Manager Engagement,** and **Employee engagement and participation.*** *Covered by the dimension of **Meaning** and its associated Critical Success Factors, particularly **Communication plan,** and **Testimonial enforcement and***

RESEARCH HYPOTHESIS	FRAMEWORK OF CRITICAL SUCCESS FACTORS FOR HOLISTIC CHANGE
	constructive feedback.
RH09. On the Ethics dimension, the success of such a process requires transparency and trustiness, and an active voice process, involving communication, engage, action and improvement. Creation of Meaning, should cross all the organizational boundaries, involving the definition of an Inspiring Set of Organizational Values, the use of Study Cases, Transparent Decisions, and Testimonial and Constructive Feedback, supported by an integrative Communication Plan. People must be actively involved, which requires, strong Top-Management Sponsorship, with a Coordination Team, and an active Change Agents Team on the real groundwork. Leadership Training is essential to promote Manager Engagement, and get Employee Engagement and Participation. An adequate Process must be set-up to promote the desired change – with a Diagnostic Model, a Program Structure, and Evaluation Methodology, and a Rigorous Evaluation of the whole intervention.	*Covered by the whole framework, through the integration of its dimensions and Critical Success Factors, including:* • *Ethics (transparency, trustiness, active voice process, in order to stimulate people to **communicate, engage, act and improve**);* • *Meaning (Communication plan, Inspiring set of Organizational Values, Study Cases, Transparent Decision, Testimonial enforcement and constructive feedback);* • *People (Top management sponsorship, Coordination Team, Change Agents, Leadership training, Manager Engagement, Employee engagement and participation);* • *Process (Diagnostic model, Program structure, Evaluation methodology, Rigorous evaluation).*

Figure 78 – Research Hypothesis and the Framework of Critical Success Factors for Holistic Change
Source: own elaboration

6 LIMITATIONS & FUTURE RESEARCH OPPORTUNITIES

- CHANGE EVALUATION LIMITATIONS

- RESEARCH LIMITATIONS

- FUTURE CHANGE AND RESEARCH OPPORTUNITIES

Independently of the level of achieved success concerning the change and research dimensions of an organizational Action Research intervention, it always – due to its native context – has some constraints and limitations; which are visible either at process level, as well as, concerning its input and output.

Often, these constraints act as a limit for the scope, objectives, and duration of the intervention, as a consequence of organizational decisions.

This can be faced either as a *problem* (arguing that the issues to be solved and the organizational objectives should be wider), or as an *opportunity* for future *change* (progressing to new organizational excellence levels) and *research* (identifying new questions to be answered, new objectives to be reached, and new hypothesis to be tested).

Considering the wide scope and the successful results of the current intervention, this is the approach that is developed here. So, considering it as an opportunity, two main questions should be addressed: what are the limitations of the current Action Research intervention, and what are the main potential initiatives to face future change and research challenges.

6.1   Change Evaluation Limitations

As previously stated, when detailing the Change Evaluation Methodology, the evaluation parameters have integrated a significant set of "*soft*" indicators, measured through perceptive information.

They have mainly been collected via semi-structured interviews, surveys, focus group sessions, testimonials, and implementation reports.

The evaluation has covered not only the program main actions and its effects, but also a longitudinal perspective of Culture (on its main dimensions), and the impact on Employees and Customer satisfaction levels.

Also, the level of implementation of methodologies which have been object of training and the important strategic actions emerging from the program, have been considered as a relevant part of change's evaluation. They have been the most the generative aspects of organizational learning which has occurred.

Considering that it has been a wide and complex intervention; developed within a "real world" context, and targeting a multitude of integrated actions; several kinds of reasons have conditioned its evaluation.

The most significant ones emerged directly from the nature and characteristics of the intervention; where the cross-effects of its multiple dimensions create some difficulties for a fine tuning evaluation.

Also, the effects of other parallel actions implemented inside the organization have been reported as being difficult to isolate.

As referred, not being firms the best instances for Experimental Labs (where the context, the research subjects, objects, and instruments are within a highly-controlled environment), all these aspects had to conform to real organizational settings and decisions. These are "natural" environment-imposed conditions impaction on "real world" change interventions.

However, the clear definition of change objectives; being measured by specific evaluation parameters which have been agreed in advance; as well as the formalization of proper evaluation tools and reports; has acted as a grantor for evaluation rigour and relevance.

As previously detailed, a deep transformational change has occurred and has achieved its desired results.

Considering a wider objective – on the route to Organizational Excellence – also an organizational change (and research) opportunity still exists. This will be detailed, further on, within this chapter.

6.2   Research Limitations

As previously referred, despite the observation of a deep organizational and individual commitment to proceed with the organizational transformation program, some "political" issues apply:

> *"Researchers are routinely engaged in political actions in at least four ways, when **negotiating** research objectives, **obtaining permissions** to access respondents, **aligning** with stakeholder groups, and when **attempting to publish** findings"* (Buchanan & Bryman, 2011:pp. 6-7).

This is a natural situation, often emerging from the organizational context, actors, and characteristics, and it must not be ignored.

It may constraint change objectives and progression, and, obviously, the associated research progression and achievements.

So, reaching two goals, of *solving organizational problems and, simultaneously, contributing to science* (Gummesson, 2000), as a *dual imperative* (McKay & Marshall, 2007), can involve strong limitations and high risks.

They must be minimized, through a previous agreement on main targets (including the definition of main questions, objectives, and hypothesis to be tested) within an organizational context.

Within the current research program, this has been done with success; and the associated results have been achieved, as already detailed.

The strong organizational commitment which has been built and kept alive along the two cycles of the intervention has acted as a main change's facilitator to preserve its wide scope, objectives, and essence.

So, the real context and conditions inherited to the associated research process and targets (questions, objectives, and testing hypothesis) have been preserved, without any relevant additional restriction, along the intervention.

Furthermore, research results – which have pointed out to the hypothesis confirmation within the research context, allowing to build an associated framework of critical areas and success factors for holistic change, as well as a metaprocess for understanding the participative organizational action research process – have denoted new research opportunities.

6.3   Future Change and Research Opportunities

The intervention has prepared people, structures, and systems to address new levels of Organizational Excellence: a mobilizing dynamics; reframed values, and behavioural systems; increased self-confidence and trust; organization-wide skills and competencies; participation mechanisms; new tools; and processes. They became effective within the organization.

On a wider perspective, a first, but significant, step was taken on the route to Organizational Excellence. Concerning Quality, the organization has already a long history of process, product, service, and customer-oriented practices; having a specific unit devoted to quality, and using formal institutional surveys to trigger specific quality improvement projects and

initiatives. The IT Unit also apply, on a periodical basis and with success, this continuous quality improvement process, based on the evaluation of customer satisfaction factors. An increasing relevance has been given to these aspects, and the associated targets have been introduced as "key process indicators". Concerning IT governance and processes a significant effort had already being done to align with best-practices standards (including PMBOK, CMMI, ITIL, and COBIT).

These aspects, together with the effort and results from the current program, represents a significant increase on *organizational readiness to face the challenge of an Organizational Excellence certification process*; following the EFQM (2013) model; and using extreme potentialities of self-assessment.

Figure 79 depicts the essential aspects of that path from "IT standards" to "Organizational Excellence, where the current two-cycled intervention represents an intermediary transformational step.

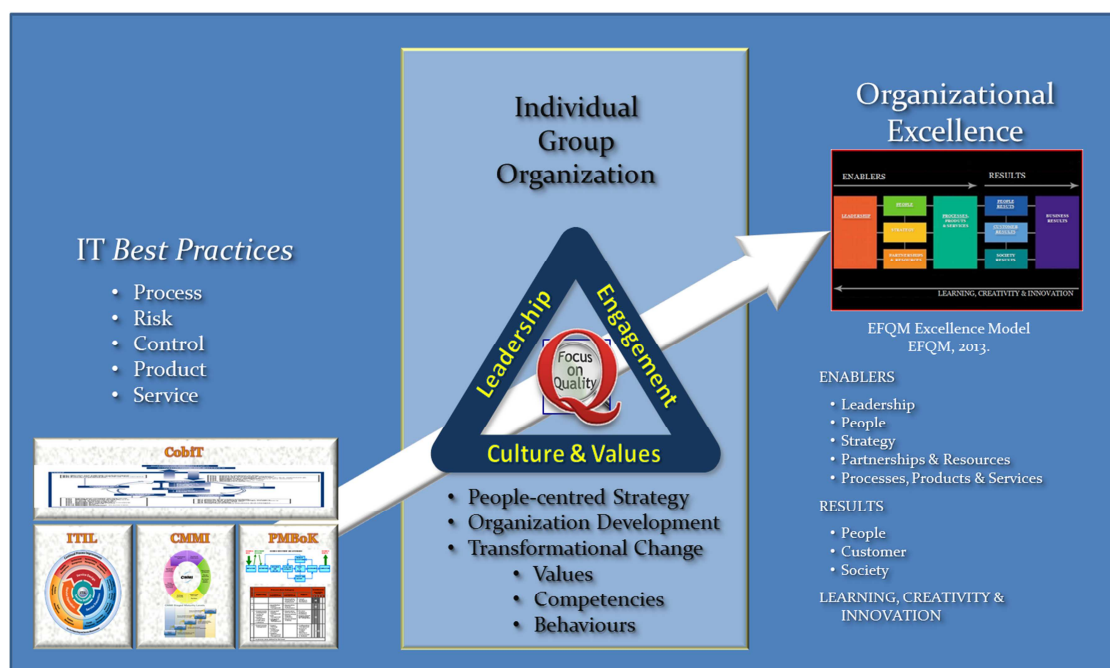Figure 79 – Future research: exploring the path from IT Best Practices to Organizational Excellence
Source: own elaboration.

As previously referred, Conti (1997), focusing on *self-assessment*, emphasizes two differentiated approaches to TQM: (1) *award-like,* focused on formal evaluation for recognition awards; and (2) *diagnostic*, more participative and oriented by diagnosis and improvement objectives.

We believe that, beside their distinct orientation and contrasting characteristics*, these approaches are not antagonist and can be conciliated (successfully combined) for Organizational Excellence and Recognition purposes.*

Also, the "learning, creativity, and innovation" loop depicted over the EFQM Model (linking "results" and "enablers") is a path not yet sufficiently explored. It can be successfully researched using an Organizational Development route.

So, an opportunity for further investigation exists, focusing on interdisciplinary research and combining these approaches – with a confluent use of OD & Change and TQM knowledge, using Action Research.

Another research opportunity has been already identified when presenting the research results and contributes (5.2), in terms of *a process meta-model representing the "kind" of Action Research approach which has been developed*. A visual representation, following a "data flow diagram" topology, has been produced, integrating the "kernel" data and processes of the system. Also, to facilitate its reading, a summarized "structured narrative" was developed, detailing the essential logic of its main sub-processes.

A research opportunity exists to *detail and refine the processes' diagram*, validating it along other interventions and organizational contexts. Process agents and tools should also be detailed; as well as other non-kernel processes; "external entities" and its data flow interactions should also be considered.

On the perspective of data structures, a *conceptual entity-relationship diagram*, highlighting the main data groups and its relationships, can also be subject of further research and development.

A third-view, more pragmatic in terms of *system behaviour*, can be developed; in order to depict how the system responds (through processes) to events, producing the proper effects on data.

Also, the work that has been developed denotes some additional opportunities which can be explored in terms of further research. One of these opportunities corresponds to the possibility to study the link between the first and the second cycle of the intervention where there is a relevant methodological relationship between the Action Research (1st cycle) and the Design Science Research (2nd cycle) paradigmatic approaches. Another interesting opportunity

corresponds to the potential usage of the immense written and recorded testimonials of the participants in the Changing IT program to study the emergence of a Psychological Sense of Community (PSOC) on its multiple dimensions within a real case of organizational change.

Finally, but not less important, the relevance of the intervention and its meaning from the Organizational Strategy and Organizational Management perspectives configure a good opportunity to develop a specific publication, for the practitioner's community , highlighting the relevance of the Human Side of Organizational Transformation.

LIST OF ASSOCIATED PUBLICATIONS

Despite the current thesis is not developed using the format of a compilation of articles, some important associated publications have been previously presented to the academic community. They have been submitted to blind peer review processes, benefiting from independent validation and recommendations, progressively incorporating new knowledge and relevant contributes, at distinct stages of research development.

The following list summarizes the associated publications' record:

1. Henriques, T. & O'Neill, H. (2011). *Changing IT – Culture, Leadership & Employee Engagement, a basis to leverage IT Organizational Excellence*. CAPSI 2011 proceedings. ISBN: 978-972-8862-12-1. Lisbon. Portugal.

2. Henriques, T. (2012). *Cultura, Liderança e Envolvimento dos Colaboradores: uma base para alavancar a Excelência Organizacional*. Dissertação de Mestrado em Gestão de Empresas. Universidade Autónoma de Lisboa.

3. Henriques, T. & O'Neill, H. (2013). A participação das Pessoas em Dinâmicas de Excelência Organizacional: Comunicar, Envolver, Agir e Melhorar. *TMQ Review*, n. 5. ISSN: 2183-0932. (Previously presented at RIQUA 2013 – IV Encontro de Troia da Rede de Investigadores da Qualidade APQ, 7 July 2013).

4. Henriques, T. & O'Neill, H. (2014). IT Quality and Organizational Development – using Action Research to Promote Employee Engagement, Leadership Development, Learning, and Organizational Improvement. British Academy of Management 2014 Annual Conference. ISBN: 978-9549608-7-2. Belfast. United Kingdom.

5. Henriques, T. & O'Neill, H. (2015). The Human side of Information Systems: Capitalizing on People, as a foundational basis for sustaining Organizational Development and Change. In Molnar, A. & Martins, J. (Eds.), *Handbook of Research on Innovations in Information Retrieval, Analysis, and Management*. IGI Global. Hershley, USA. (Final version accepted for publication.)

6. Henriques, T. & O'Neill, H. (2015). Organizational Action Research: a cross-road between academics in practice and academics within practice. Is there a roadmap? *Action Research Journal*. (Reviewed; incorporating editor and reviewers' recommendations.)

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