MCD Conference on Management Consulting 2009

Transformation Management:

A Third Option between Process-Oriented Organizational Development and Content-Oriented Change Management

Karl Prammer

Managing Partner

C/O/N/E/C/T/A Vienna School of Organizational Consultancy

1190 Vienna, Sieveringerstr. 36

Senior Researcher

iff, department of Organizational Development and Group Dynamics

University of Klagenfurt, 1070 Vienna, Schottenfeldgasse 29

Abstract:

Whenever organizations seek to bring about significant changes, they will in principle follow one of the two major approaches, i.e. process-oriented organizational development (OD) or content-oriented change management (CM). In the classic form of OD, central elements are functional “process designs” which result in solutions developed from the reflections of those directly involved. In the original tradition of CM, the central elements are “solution designs” which third parties consider as suitable; these are introduced into the system from outside.

Each approach has its benefits and drawbacks.

OD produces highly integrated solutions whilst development often takes long and/or is frequently characterized by little fundamental innovation. As a result, optimization is accepted but usually light-weight in nature.

CM quickly delivers fundamental or innovative solutions; however, these are as a rule hardly accepted and often get watered down in the course of implementation. In a nutshell: they are quick fixes with a low degree of integration.

"Transformation Management" (TM) is a third option to initiate, shape and handle processes to design business operations. It is a way to combine the benefits of the classic process-oriented approach of OD and content-oriented CM, so widespread today, in such a way that the drawbacks of the two approaches are hardly felt any longer. TM functions on both the process design and the solution design levels. The core element of the approach is the specific combination of internal and external system logic.

This contribution will show you some of the central elements of the TM approach.

In the following contribution, the expression “change processes” should be taken to mean projects aiming at a change of pattern or second-order change, or projects in which either of these was an option considered in the very beginning.

Reducing my experiences as a consultant and researcher in respect of organized processes of change to a minimum of key statements, these are as follows – irrespective of the approach chosen:

1. Sufficient energy is needed for each change project, and there is also a need for key players to publicly assume responsibility for the project!

On the one hand, social systems seek to secure their survival, on the other hand, they are, as a rule, not readily willing to change. A change of pattern will only be considered if they can see their survival as “really” being in jeopardy, and if light-weight optimization is no longer regarded as sufficient. If fundamental change is to happen, the question requiring an immediate answer is: Who will sustainably ensure that those concerned see the need for change, that those involved and starting to move “mentally” reach a critical mass, that they really begin acting in favor of change and keep moving throughout the change process, and how will this be done?

2. There is a need for protected space where you can think things over in a creative way without being afraid of “punishment”!

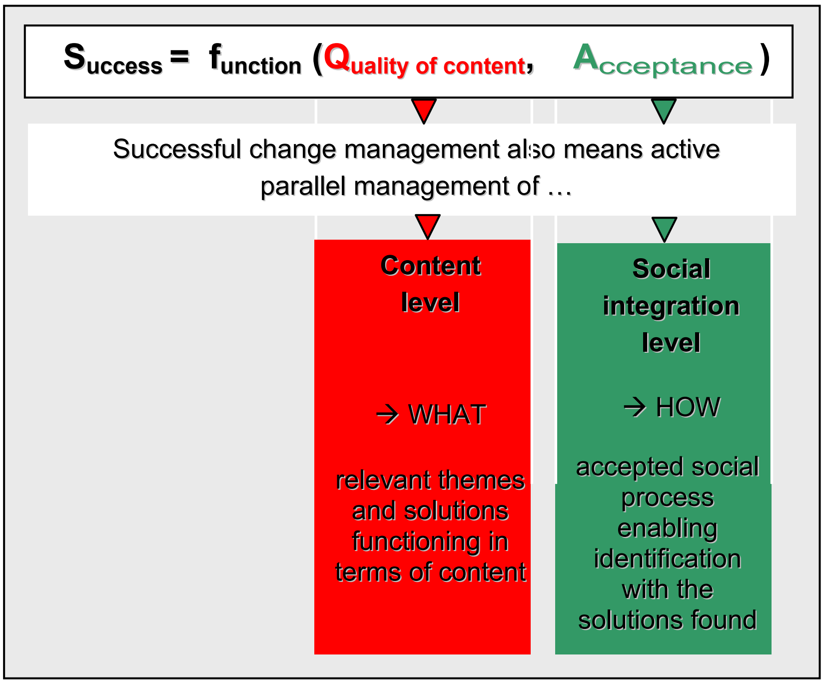
Social systems tend to reproduce their patterns. Solutions which aim at a change of pattern are a potential intervention in the peaceful coexistence as exists within a business. “Transactions” and “business relations” from the past are in danger of losing their value. The system concerned will deliberately organize itself or, more frequently, instinctively start to ward off fundamental change and build defenses. This might e.g. involve an approach of “asking players to report every day and weighing them down with prohibitions or secret instructions”. The more the players who shape the solutions are concerned by the solutions themselves, the more the task will overcharge them. Players who are concerned themselves will willy-nilly be caught in a conflict of interests between the old system they come from and represent, and the new system they are supposed to create, as well as those who instruct them to do so. Explicit public invitations to “break taboos” from “those at the very top” can help relieve the burden.

3. The more those concerned are aware of and deal with their emotions, the easier and faster they will be able to accept new developments!

Often enough, emotions are denied and disregarded, and people will call for a matter-of-factly approach. As a rule, this will not make it more likely for the change process to succeed. Conversely, if those concerned do not show any perceivable emotions, this is not so much an indication that change is going well. Much rather, it usually either shows that the project went unheeded by those concerned or that they found a way to continue as before. Emotions are unavoidable in changes of patterns. They are needed so we can let go of the past and let ourselves in for the future. The basic rule is: The more tribute is paid to the old ways and those who created them or were responsible for them, the easier is it for those concerned to accept the new ways and their protagonists because they are no longer caught up in conflicting loyalties.

4. The extent of success depends on the quality of the solution and the degree to which it is accepted!

Successful change management means that the levels of content and social integration have to be borne in mind throughout the entire course of the project and should be managed actively. After all, the best solution is only worthwhile thinking of if it is implemented – at least if implementation was intended to be part of the project. Change processes without problems and without functioning solutions are eventually a waste of scarce time and valuable resources.



Ilustration 01:

Warning: If one level is not taken care of sufficiently, this cannot be made up for by “more action” at the other level!

Experts of the solution level often try to steamroller those concerned by treating them as if they were incapable of understanding content, or they are trapped and unable to get off the treadmill themselves. In the first instance, they lose touch with those concerned on the social level, and possibly also with reality on the level of content. The latter means that they actually bow to those concerned. Their reflex is to improve the solution by producing an update that takes the “ifs and buts” of the solution, which originally did not go down well, into account. If the result of the next presentation is “Thanks a lot but no thanks”, they come up with another update and so on and so forth. After the second rejection, at the latest, there should be a move from the level of content to the process level when dealing with the question as to what is seen as problematic about the way the project was handled.

Conversely, if the atmosphere around the project is good but no satisfactory solutions are found, further brainstorming and “looking each other deep in the eye” will not help, either. In this case, a change from the process level to the level of content is required and specialized experts should be brought on board to supply the system with new, alternative solutions.

This takes me to different consultancy approaches. Whenever consultants follow through change processes in organizations, they do that on the basis of certain fundamental assumptions. I am going to show that, in doing so, they primarily focus on one of the levels described in statement 4. Moreover, these approaches deal in different ways with what is described in statements 1, 2 and 3. In a nutshell, the consultancy approaches practiced today can largely be reduced to one of two typical ways of dealing with change:

1. the “**Organizational Development approach**” (**OD**). Here, solutions are found within the system itself – basically from within the organization – whilst getting all parties concerned involved as much as possible. In its original, classic version, the central consultancy elements of OD are functional “process designs” through which solutions are developed via internal reflection by those concerned;
2. the “**Change Management approach**” (**CM**). Here, the solution is found by a small group of external advisors, staff employees or managers – basically from outside. It is then implemented by the parties concerned within the undertaking. The central

consultancy elements of CM in its original, classic version are “solution designs” found suitable by third parties and brought into the system from outside.

Both approaches – in particular in the unadulterated original forms which I deliberately described here[1] – are imbued with totally different attitudes and logics of thought and action, and they function differently in respect of the key statements mentioned above.

The strong point of the OD approach, which emerged in a socio-psychological environment more than half a century ago, can be found in the fact that the persons and groups concerned play an active role and participate in the change process. This way, the stages of implementing the change project are significantly simplified because they are largely anticipated “mentally” in the phase of diagnosis and proposition, and only the “physical part” has to be dealt with in the actual implementation phase. The approach focuses on the level of “social integration” as found in Illustration 01. OD propositions are characterized by a processual, evolutionary approach to development. In essence, OD is about activating and expanding the potential of an organization and its members. Organization and members are empowered to reflect upon the requirements of relevant internal and external environments. The related reactions, responses and solutions needed should be developed and implemented by the members of the organization themselves. The core concerns of OD are to preserve cultural identity of the developing undertaking, to get individuals and groups concerned involved in shaping and implementing solutions and answers, and to control and design change measures continuous and processually. The most important tools of OD are the acts of reflecting about what exists and what is needed, and of searching for options of how to survive, learn and forget. The steering and design of successful OD processes is thus tantamount to the successful steering of reflection and learning processes in the persons, groups and organizations concerned. Since discussions about what is necessary and what options there are largely take place in public and involve the parties concerned, there is little

[1] Since neither “Organizational Development” nor “Change Management” is subject to copyright, and both approaches were further developed by consultants in the past years or even decades as they reflected upon their work, and aimed at more differentiation and optimization in theory and practice, what I will say about OD and CM is informed by my view and construction of the concepts. My claim is that the descriptions convey the basic ideas of each approach but do not fully cover all the forms applied in practice in our day and age, and found on the market under the original designations. Freezing the two approaches in their original form helps to describe the specific nature of the TM approach more clearly.

“protected space” for thinking things over and developing ideas without fear of punishment. Therefore, solutions are frequently light-weight or more serious acts of optimization, depending on the need for action.

The proposition underlying the CM approach, which established itself in the consultancy market as the ubiquitous method of change in organizations, came from the activities of major international – originally American – consultancy firms such as McKinsey, Boston Consulting Group, Arthur Anderson, etc. The orientation of these firms was – and largely still is – oriented towards managerial/technical principles rather than socio-psychological and systemic ideas. Their activities are based on models of content and statements about how organizations should be designed, structured and “run”. The experts from these consultancy firms feel committed to the cause. As a rule, and in good faith, they seek to bring their clients the quasi ready-made solution they consider to be the best. Their actions focus on the “content level” in Illustration 01. Based on analyses of the status quo, industry comparisons, benchmarking and best practices, the solutions emerging in the heads of the external consultants are what they consider suitable for the undertaking or the division they work for. The change objectives describing the desirable future state of the system to be changed are determined by the external consultants and internal staff groups and top management of the undertaking concerned. There is a lot of “protected space” because thinking and development takes place outside the system concerned. Nothing from within the system concerned stands in the way of those working for it outside, and there is no resistance at this point. Employees on various hierarchical levels are primarily involved indirectly - to a higher or lower degree - during the analysis stage as they can furnish information. The “reference system” which is used for the evaluation of data and comparative analysis is the methodological toolbox brought in by the external experts. In keeping with this, the change project is steered in a “normative” way when looked at from the angle of those inside the system, its members. The individual steps follow external logics of planning and steering. External advisors are in no way forced to apply contents, ideas, models and solutions to themselves, they do not work “recursively”. They plan, steer, think and decide for others. As they are often subject to pre-negotiated, fixed consultancy fees, there is a financial barrier that keeps them from breaking with their own logic and “view of reality”. Irritations in the system concerned are only allowed to a limited extent. Consultants identify only few discrepancies between their previous experiences and the client context, or do not look for them actively. The strong points of the CM approach are the radicality or “boldness” of change proposals and the fast pace at which they are developed. Issues which have to do with the social integration of the solutions found on a process level, ways of handling emotions are largely shifted to the implementation stage. Resulting problems will only become visible then. For this reason, the designs frequently get “bogged down” in the course of implementation. In extreme cases, changes of patterns do not come about at all, or only in such a watered-down way that they are not even worth the paper they were written on in the development stage.

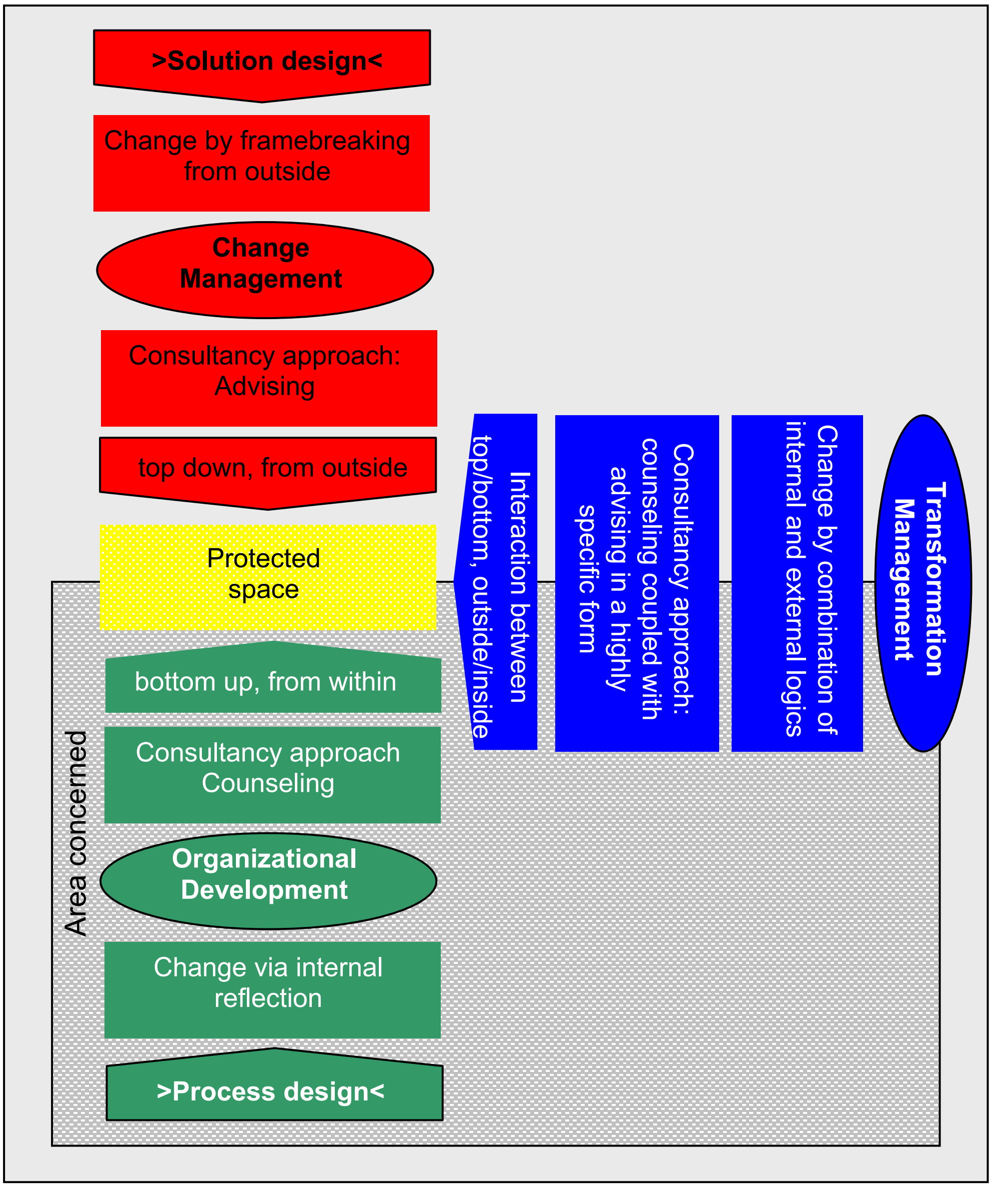


Illustration 02:

Both approaches – especially as described here in a way that does not take variations and further development into account – have certain weaknesses due to their intrinsic logics. To put it differently: what is a benefit in one approach is a drawback in the other.

OD produces highly integrated solutions since those concerned are part of the development stage and those who follow the process through deal with emotions in a professional way. However, development often takes long and is frequently characterized by little fundamental innovation. Human resources are tied up to a great extent. As a result optimization is well accepted but usually light-weight in nature.

CM quickly delivers innovative solutions to changes of patterns; however, these are as a rule hardly accepted and often get watered down in the course of implementation. Emotional situations are shifted to the implementation stage where often enough, nobody follows the process through professionally. The emotions of those concerned are then dealt with according to the rules of line management culture – normally, there will be little room explicitly meant for farewell rituals or engagement with existing aggression and anxiety. Thus, the actual results may not fulfill original expectations – quick fixes with a low degree of integration are the outcome.

"**Transformation Management**" (**TM**) is a third option to initiate, shape and handle processes to design business operations. It attempts to combine the benefits of the two approaches as described above in such a way that the drawbacks are hardly felt any longer. TM functions on both the level of social integration, using process design, and on the level of content, using solution design. Thus, there is room for external experts and engagement with the emotions of those concerned. The core element of the approach is the specific combination of internal and external system logics. It is “specific” because expertise is deliberately and avowedly introduced as something that is not complete and perfect – and this is atypical of experts. This ensures that the system with engage with the considerations brought from outside. It is also “specific” because on the process level, strict measures are taken to repeatedly isolate representatives from the areas concerned who were chosen on the basis of certain criteria from the areas they represent (“protected space” for creative thinking “without fear of punishment”) – and this is atypical of they way in which classic OD processes are followed through. Moreover, representatives of the hierarchy are again and again forced to comment explicitly (“robust statements” from those at the top concerning the mandate, “breaking with taboos”, project rules, solutions etc. – these can be used by players as public reference points). In principle, TM is about the mutual fruitful exchange of know-how between those concerned within the organization and external consultants to make the process of project opening and closing transparent vis-à-vis line employees. It is also about the specific way in which responsibility is perceived within the triangle formed by “principal / internal decision-makers” – “players from within the organization working on the project proposition” – “consultants”. Thus, TM can help make changes in organizations in such a way that

/ change processes are accelerated, which distinguishes it from classic approaches of OD,

/ the solutions identified are highly accepted within the social system of the organization concerned, which is different from the classic CM approach of consulting companies, and

/ at the same time, the “option for a change of pattern” – i.e. fundamental changes – becomes a real possibility.

Illustration 03 shows a comparison of the three approaches with a focus on these dimensions critical for success.

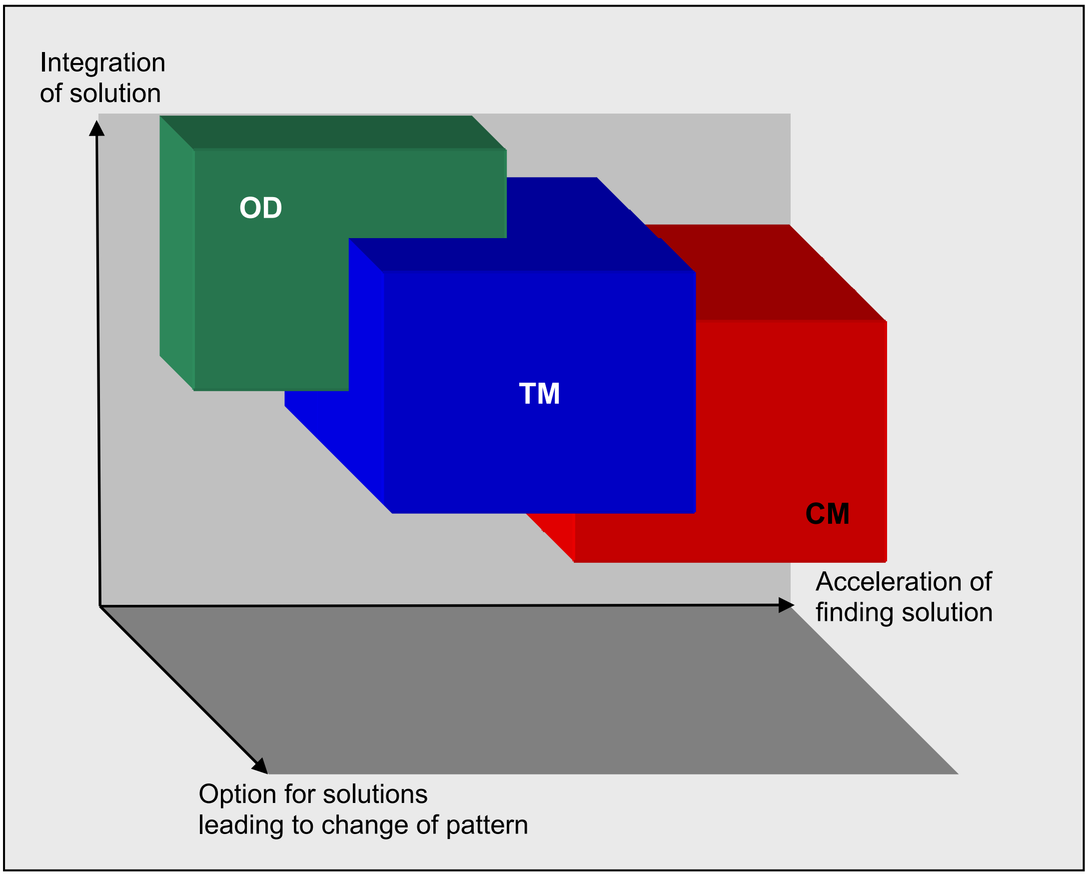


Illustration 03:

At this point, you might ask yourself why I do not refer to publications presenting the “complementary consultancy” approach. Just like the TM approach[2], which my colleagues

---

2 Prammer, Karl: Transformationsmanagement – Theorie- und Toolset; Carl-Auer-Systeme Verlag, Heidelberg, 2009

Janes and Schulte-Derne as well as myself started applying about 15 years ago, and which I have meanwhile gradually fine-tuned on an operational level in respect of attitude, interventions and instruments, the complementary consultancy approach also seeks to explicitly address and overcome the conundrum of the two original OD and CM approaches. Towards the end of my article, once I have described the TM approach in its basic outlines, I will briefly deal with this topic.

The following list states the central elements of the transformation management approach. As going into detail would carry me too far, I will look at them in groups, with a focus on the fundamental ideas underlying the respective elements ("pillars"):

1. relevant content is made available by consultants in a rudimentary form, without any claim to "completeness" and "correctness"
2. frame-breaking from the outside is couple with evolution from the inside as the past is accounted for, and processes are complemented and further developed
3. external instruments are used in the "social setting"
4. a strict project management design is a requirement; it is accompanied by a framework specified in a recursive-circular way and opens/closes in an organized manner
5. the result transfer is explicitly shifted upstream, into the transformation project, as the persons concerned are involved across all process phases in different ways
6. change may also be implemented against the wishes of those concerned
7. business process orientation is staged actively which causes irritations in the approach to thinking and acting of internal players which is by tradition functionally or divisionally oriented

---

Janes, Alfred / Prammer, Karl: Transformations-Management in der Beratung – Organisationen gemeinsam mit den KlientInnen verändern; in: H. Lobnig/J. Schwendenwein/L. Zvacek (eds.): Beratung der Veränderung – Veränderung der Beratung; Gabler, Wiesbaden 2003, pp. 93-115

Janes, Alfred / Prammer, Karl / Schulte-Derne, Michael: Transformations-Management – Organisationen von Innen verändern; Springer, Vienna - New York 2001

How to handle external expertise and instruments (Pillars 1, 2, 3)

In contrast to the classic OD approach, the TM approach is similar to CM in that consultants introduce content relevant to transformation into the change process. Content may include fields where action is needed, relevant taboos and "hot potatoes". It may also consist in hypotheses about the status of the design project, for example about whether the behavior of representatives of the organization within the project is purposeful, or it may deal with ways to furnish potential solutions. However, there is a fundamental difference between TM and classic CM in the requirements such content has to fulfill and the ways and means in which it is introduced by consultants and used in the organization. TM consultants deliberately and outspokenly do not claim that the material they introduce is "complete" and "correct". This way, the client system (especially decision-makers) is forced to take a stand and make a joint statement: "Yes, this is precisely it." or "No, this is not / at all / what we want." or "We need more of this or that." Thus, responsibility for what will eventually happen is shifted from consultants to the representatives of the organization, and consultants as well as operational players of the organization may publicly refer to these statements as they continue working on the project. If no joint statement comes about, this makes the problem evident and it turns into an issue to be dealt with explicitly in the project in a structured way – unless decision-makers can agree on a joint statement along the way.

The notion of frame-breaking stands for the content-related solutions offered by consultants. If the innovative options of the CM approach – alternative solutions radically deviating from the status quo – are to be implemented without the problems caused by those concerned in the implementation phase as are typical of the CM approach, the following must apply:

/ the solutions presented have to relate to the mandate of the project within the meaning of the "case for action" in such a way that it can be directly communicated to the project players and those concerned;

/ the players and those concerned must consider the consultants to be familiar with the system as a basis of their ideas,

/ there must always be several alternative variants to a solution,

/ in the way they are worded, solutions must be rudimentary, blurred – even unusable and not directly amenable to implementation at that stage,

- the internal project players must be able to work on the alternative solution variants in such a way that they turn them into detailed propositions and designs which are amenable to implementation and would function successfully in day-to-day business,
- rules must be in place which prevent project players from “escaping” from the work on detailed propositions in case of “hot potatoes”, or in an emergency, they lead to the re-delegation of tasks to principals or decision-makers.

The alternative solutions usually address some fields where external consultants / internal players have identified contradictions of enormous relevance on the social level or on the level of content. (These fields of contradiction which the draft alternative solutions proposed by the consultants related to can include: experts vs. generalists, division of labor vs. team orientation and one fact to the customer; implementation of change via existing function-oriented organizational structure vs. implementation of change via a new business process-oriented organization.) The solution models furnished from outside are enriched by the internal project players using dimensions relevant to the design process (e.g. organization, instruments, infrastructure, personnel, management) until they can be used in practice. In terms of notions, they lead on a trip into a world of the future where actions are based on the specific features of the related model. These “trips into models” facilitate assessment of the individual variants by players as they do not only look at the current framework set by reality but a new, extended framework.

This may sound self-evident but it runs counter to the way in which many CM consultants define their work. Classic CM consultants often derive the way they see themselves from the completeness of covering all the “ifs and buts” and from solutions which are mature and require no subsequent corrections. Usually, they are paid for offering their clients functioning solutions ready for implementation. By contrast, the TM approach will only become possible when this claim to completeness is gone; instead, high-quality solutions are supplied, and they tie in with the specific features of the field concerned but are not readily usable.

In contrast to the OD approach, only few representatives of the system concerned actively decide about the future potential “to be or not to be” when they are in charge of diagnosis, propositions and decisions in TM projects. If second-order change is at stake, the result of the project players’ activities may eventually lead to job loss among colleagues, early retirement or the breaking up of entire organizational units. TM projects are unlike CM projects in that consultants assume at no time responsibility for conclusions leading to action or decisions on the level of content; hence, the few internal players involved have a share in responsibility for the solution found in the transformation process. There are instruments which can explicitly be used to exonerate the representatives of the organization in the project. Thanks to instruments used in the selection of persons for project functions or issues of prioritizing and decision-making, the representatives of the system concerned can at least partially be relieved from the burden of facing the consequences of their actions. This increases the probability that change-of-pattern solutions will be brought about relatively quickly and that the internal players will join in bearing responsibility. As these instruments also make the process whereby solutions are found and decisions are made more transparent, they contribute to facilitating the transfer of the results into the organization.

The most significant difference between TM and classic CM (which is characterized by pre-fabricated, time-tested instruments) is the specific “use” of instruments, which would refer to as “use in the social setting”. With the use of tools brought in by consultants, the suspicion of manipulation is almost unavoidable (“The consultants designed the tools in such a way that the result will be precisely what they want it to be.”) To counteract this, the opportunities and threats of using tools need to be discussed openly by consultants and players. This can be done by consistently following the steps listed below:

/ project players invite consultants to design instruments and use them;

/ existing instruments are adapted or functioning instruments are devised by consultants.

/ instruments are presented on the level of content and handling, internal players join in a process of reflection on their usability.

/ with the help of an external facilitator, the internal players adapt and fine-tune instruments on the levels of content and process.

/ internal and external players work with the instruments, trading roles as they do

/ the instruments and the way in which they are wielded are reflected upon, assumptions of “tainted” tools or intentional/unintentional “manipulation” of content or social interaction are worked through.

Handling from the perspective of project management (Pillars 4, 5, 6)

Project management is crucial in the design of processes according to the TM approach. It provides a secure structure for the combination and interlacing of external and internal logics, thus ensuring that the pillars of TM stated above can be set up in reality. Here is a list of the most important aspects:

/ “Decision-making” and “propositions“ explicitly have to be separated as a “decision-making body” and a “project team” are established

Since the project team concentrates on work on content and propositions, and a body of decision-makers is in charge of political decisions relevant for line management, the project team is formally discharged of responsibility for the solutions found. The members of the decision-making body are always able to “say no” to considerations and potential solutions presented by the project team to “protect line management from revolutionary ideas”, it is possible for the project team to work in a relatively carefree and creative way.

/ Organized and robustly secured “opening” and “closing”

Rules which allow for a temporary closing of the boundaries between line and project, or decision-making and project team, contribute to improving quality of output and accelerating progress in a transformation project. However, this also includes restrictive arrangements concerning the transfer of information – during certain periods, no information about specific content-related work in the project team, in particular potential solutions under consideration, about the ability of the bodies to work, and the quality of cooperation between the bodies must be communicated “to the outside world”. These arrangements must be robust, they have to withstand pressure in day-to-day project work. It means that “the powers that be” have to declare the arrangements vis-à-vis line management to be important and they have ensure that line management adheres to them, too. A project worker asked by her superior in line management to report on her work in the project will hardly be able to refuse, so the superior line manager should be aware of the problem such a question may cause and should not ask in the first place.

Whilst organized periods of “temporary closing” are constituent elements of the TM approach, they can indeed be problematic. If information transfer is interrupted too much, the change project may quickly mutate from a TM to a CM project. To avoid this, action needs to be taken to find out to what extent those excluded – e.g. the colleagues who are not board the project team or the members of the decision-making body – can tolerate exclusion. Moreover, those “excluded” must understand the purpose of this measure. Transparency in respect of closed working periods and well timed and organized “open periods” may relieve the burden. “Open periods” may include: organized employee surveys, regular sounding board events which bring other representatives of line management on board, employee information fora about important milestones where those concerned are all present.

Constructive open cooperation among project team members requires trust in colleagues as regards their obligation to confidentiality. Only then will it be likely that dysfunctions in the status quo of the organization will be addressed. Only then will it become probable that “revolutionary” ideas are voiced, leading to fundamental change on the levels of boundaries between organizational units, established status symbols or job profiles. Rules for the decision-making body are similar in nature. If conflicts between decision-makers are taken to the public domain, it is less likely that the key players in the decision-making body will accept experiments.

In general, the “transformation stage” is not much unlike the stage in the world of theatre: actors and actresses will find it easier to experiment when they test a new role on the rehearsal stage without audience and journalists instead of having to play it in front of everybody.

/ Mirroring and mapping the “hierarchy“ in the project organization

Whereas project management tends to “disrespect” the hierarchy when appointing people to bodies, the TM approach seeks to mirror the line hierarchy in the project architecture. As a rule, the first hierarchical level of the units concerned and its common superior – possibly adding the principal – become members of the decision-making body. The project team – at least during the stages of analysis and proposition drafting – will consist of line members without executive functions or low-level executives. Within a transformation project organization, people act out of a similar hierarchical position is in day-to-day business. However, their cooperation is subject to different rules, and their roles differ in certain details.

The idea behind the hierarchy mirrored in appointments to bodies is as follows: In the “protected space” of a decision-making body subject to confidentiality rules, it will be easier to discuss pros and cons without consequences. As the discussions are not public, they do not cause uncertainty in the majority of employees, especially before it is clear whether the organization will move into one direction or the other at all. If the members of the decision –making body are line superior of the units concerned, whatever is adopted for the project can be considered binding for later implementation. It is also an instrument of clear orientation for those concerned when they weigh the pros and cons on their own. Moreover, the decision-makers and project team members are able to test actions for a change in cooperation culture in the protected space of the project, and those concerned can use this as a model for learning.

/ Avoiding dual membership on the project team and decision-making body

Dual membership would run counter to the productive division of labor between project team and decision-making body. It leads to conflicts of interest and reduces the ability of the person concerned to work in at least one of the two bodies. If it comes about just the same, the problem should be addressed openly. Only then, players can be relieved of their burden and taboos do not emerge at all. In this context, disloyalty is not a matter of poor character, it has to do with the dual function.

/ "Non-hierarchical" role definition on the project team

Whilst it is recommended to map the hierarchy in the project via the project bodies, "non-hierarchical role definition" on the (core) project team is a time tested method in projects involving changes of patterns according to the TM approach. This means that the project team does not have a team leader. Thus, it will be more likely that the know-how and creative potentials of the project team players are activated. Team members become involved in a committed, coordinated and goal-oriented way. If there is no "project leader" who tries to solve problems with the project on his/her own right away, takes decisions without consulting others and drives or saves the project by his/her commitment, then driving the project becomes a task for all members of the project team. Commitment and self-motivation are needed from everybody, no member of the project team will be able to sit back and watch from "a ringside seat". Problems with the project are not problems of individual people, they concern everybody on the team.

At the same time, team members, knowing this, will engage more intensely with the project goal and the project framework. If they are able to share responsibility for the fulfillment of the project mandate and feel motivated, members on non-hierarchical project teams will be more prepared to fight for goals/contents/rules/resources relevant to success than if responsibility and reward for success are primarily a matter of the project leader.

However, there is a caveat to this: A “leaderless” project team is unusual and often requires good arguments to be translated into reality. After all, it calls for enormous discipline from principals and decision-makers when dealing with the team because changes in the framework can no longer be made in direct one-on-one talks with the project leader but have to be negotiated with the whole project team.

/ Small, self-contained teams

To ensure that project delegates, who are primarily bound to their own profession or organizational unit, cooperate constructively, teams with social constancy are needed. If taboos are to be addressed, if there should be an open discussion about deficits in the unit sending the delegate, if solutions need to be considered which are not necessarily beneficial to one’s own organizational unit, a sufficient amount of loyalty to the project and mutual trust that everybody on the project team will adhere to the principle of confidentiality are required. Every group member addressing issues that were previously taboo or disclosing “political ammo” from the home unit has to be sure that no information will be leaked to the line the next day. This feeling cannot be created by strictly worded rules. It emerges from the experience of how the rules are applied in practice in day-to-day project work. The requirements for this experience are co-players who are physically present over longer periods of time, and social settings where the actions of the other team members can be mutually observed and reflected upon. Changing membership, people who cover for the original members again and again, as well as groups of more than 6 – 7 members make an atmosphere conducive to open cooperation difficult or impossible and stand in the way of effective work.

/ Only partial release from work for team members

Many companies – especially big corporations where major projects are underway – release team members from work to 100% in the interest of speeding things up and simplifying participation. However, with the idea of integration in mind, it is more purposeful to work with fewer human resources over a longer period of time than using the maximum of resources while expecting the process to be completed in no time at all. The motto is: “Slow and steady wins the race!” In case of 100% release from work for team members, there is a risk of “home ties” being broken and the TM approach drifting towards CM. With partial release from work – a maximum limit of 40% has produced good results – handling is more difficult for all those involved but much more in keeping with the TM approach.

/ Criteria-based composition of bodies

When a project team member has his/her background in an organizational unit concerned or a certain profession, he or she will contribute the perspective of the unit or profession. From the angle of those “who are not on board”, there is a feeling that someone from among them works on the project and represents them, as it were. Conversely, if a project team member is unable to detach him/herself partially from the home organization and develop an independent approach to the project in the course of project work, cooperation will difficult.

In criteria-based recruiting, the point is not simply to nominate persons who are close to principals or key players or are considered apt by these. Before names are named, considerations are raised (with the “positive power of negative thinking” in mind) as to what assignment to the project team would have to be like so that recruitment and the project delegates recruited will most likely not be accepted. Based on the “recruitment criteria” derived from this – in a joint exercise of principal, key players and workers’ representatives, for example – a procedure acceptable to all can be devised. Proceeding this way means that middle management and works council members on site are involved at an early stage. They can play an active role in selecting the people on the project team and contribute to the information talks about the project.

After having considered the “how”, the next step is engagement with the “what”. What are the publishable aspects (“representation criteria”) to be covered by the members of the body to be staffed in their totality? What are the aspects to be represented so that high-quality project work in terms of content can be done and it becomes highly likely that the activities of the body will be well accepted by those concerned?

Criteria-based recruitment of members also relieves the burden of the persons selected. They do not appear to be players “by the grace of the powers that be” under presumed “secret instructions”. The members of bodies chosen are those best suited to cover aspects relevant to important design processes. This way, they are not suspected of being out on a self-realization binge or a case of blatant nepotism. If colleagues later on “attack” them because of the solutions they found, they can always refer to a procedure resulting in their selection as the person best suited for the task. If the line organization reproaches them with frequent absences causing additional work for those who are not away from their regular job, project players can also refer to the recruitment process and do not have to defend themselves for absence out of personal interests.

To give these aspects validity and enable people to refer to them, the recruitment and representation criteria need to be published, and the recruitment procedure building on it has to be transparent. Considerations why someone was selected for a certain project body have to be conveyed, people have to know why a certain combination of persons is best suited and which representation criteria each of them stands for. The important thing is that the representation criteria applied as such that they can be made public to the line organization.

/ Phase-specific project organization and composition of bodies

If breakpoints are built in from the very beginning – in terms of project organization and staffing of bodies – this relieves burdens in two respects: On the one hand, whenever key players are especially emotional because they are directly concerned, therefore seeking to change the framework of content or procedure in the project, players can always point out that “this important issue” will – as agreed - be dealt with in a joint discussion in the next milestone meeting. On the other hand, whenever new needs for representation arise, it will be possible to change staffing on the respective body in a purposeful and organized way, whilst the members of the body concerned will not lose face and nobody from outside will suspect that the project is not working properly.

/ Recursive-circular framework planning for the project

It is inherent in project development under the TM approach that objectives, focuses of content and project organization can be subject to change. Unlike CM, TM does not have any schemes developed top-down or from the outside which are then imposed on the undertaking. Solutions emerge from the interaction between internal and external players and project/line organization. As different logics and perspectives meet, the views or assessments of those participating change in the course of time. Principal, parties concerned, project players and consultants learn. What was seen as a “must” at the beginning of the project may turn into a minor matter due to insights gained during the “journey”, and what people were not aware of at the outset may become a basis for action.

With conditions in flux, it is useful to have a tool to visualize what exists among players in terms of differences and common ground as concerns the need for action, objectives and organizational operationality so that engagement in a structured dialogue is stimulated. This will heighten the probability of players identifying with the project framework and actively supporting it vis-à-vis third parties. Organized and repeated use of the instrument at pre-scheduled events – such as milestone meetings – helps capture new angles; purposeful changes are made in a coordinated and structured way and not because of individual interventions from the outside. Relevant points for a circular instrument supporting the project framework should include: case for action, project goals, project subjects (hot potatoes, taboos), success factors (including recipes for failure) project bodies and rules, necessary and available project resources, project milestones and deadlines, outstanding next steps to put these points into effect, and an explicit commitment of players.

First of all, “recursive-circular” points to the interdependence of the individual points. If one of them changes, this has a bearing on the others. Moreover, it also refers to the process of negotiation and development between line organization/project and project team/decision-makers, and among the members of the individual bodies. Furthermore, it also means that these points develop discontinuously as new insights are gathered.

/ Clear signals in favor of the change project to the line organization

If the project organization of a change project does not actively ensure that decisions taken are supported by the key players and that these visibly orient their actions towards such decisions, the chances for fundamental change will be reduced due to the fear of change and staying power of those concerned. As every change comes with strengths and opportunities but also contains some elements of risk and weakness, the way in which key players are perceived as supportive or non-supportive is extremely important! Clear signals in favor of change emanating from the top of the hierarchy and key players are interventions into the conscious or subconscious weighing of the pros and cons of change by those concerned. Anticipated implementation, relevant prior acquisitions or presentations of solutions by decision-makers – unless these anticipate outstanding issues of the design process and make the entire TM project look manipulative – can relieve burdens and be conducive to change.

The clear wording of a case for action and its publication can also be a successful signal. The more management and executives close ranks as they put the “problem to be warded off" into words, the easier will it be for players in a TM project to do their job. A well worded "case for action" activates energy and breaks with taboos in an organized manner. The exposure of dysfunctionalities facilitates public discussion and the identification of responses to them. As a rule, part of these dysfunctionalities arose under the leadership of the acting management, and it is easier for the management to work on them if they have been named and work on them has been approved.

/ Proceeding in phases, step by step

Project work based on the TM approach requires especially careful work in the inception phase of the project. This is when the foundations are laid for later propositions in terms of content and the realistic conditions under which this can be done successfully. The following illustration is a list of the most important points and steps to consider when proceeding in phases.

1	**Identify transformation need and transformation objectives**	Localize/activate **energy** per transformation
		Identify problems to be solved from the perspective of the environments relevant for the change project – Formulate "**Case for Action**".
		Collect/negotiate/formulate existing **ideas regarding desired states and conditions**
		Collect existing **visions/ideas for shaping new situation**.
		Derive **recipes for failure**.
2	**Get commitment to content and process design**	Agree on **central content/fields for action**, including the limits to shaping a situation.
		Design the **change organization**; establish the degree to which the project will be "open/closed" to the line organization
		Derive **success criteria** for attaining objectives and build **early-warning system** against failure.
		Negotiate **cooperation agreement** and rules of the games for "client and contractor".
3	**Plan and implement transformation**	Create and adapt **change organization**.
		Carry out **planning projects** (incl. analyses)
		Carry out **projects** which produce detailed plans/solutions and prepare implementation (incl. measures)
		Carry out **implementation**.
4	**Complete and evaluate transformation**	Carry out **review**.
		Secure **know-how** on the levels of experts/contents and persons/process and trigger know-how transfer.
		Complete process, if necessary, start new one.

Illustration 04

/ Specific functional “project rules” diverging from the normal organization and other projects

To ensure that the TM approach is filled with life by players in the day-to-day reality of the change project, functional rules specifically conceived for the task and its context are needed; these also have to be documented in a binding manner and subject to controlling. This way, it becomes more likely that players act in a (more) functional way as they break with traditions within and among the individual project bodies. At the same time, players and parties concerned will be to identify the difference between line/project organizations or the necessity of “open/closed periods”. As executives with a function in the project organization will deal differently with their line subordinates in respect of the project than would normally be the case, the purpose and logic of the TM idea can be felt directly by everybody. Moreover, project players can “rehearse” the application of such rules with a view to the future.

The first set of rules should be developed and agreed upon before operational work starts. From playing parlor games, we know that it is easier for players to agree on the rules of the games to be applied before they start playing. Changes in the rules of the game are rather overcharging if someone is about to win or lose. This is all the more so in change projects in which you design the future of the undertaking you work for. A set of rules in a change project could include items such as “How many members and which functions/criteria for representation need to be present for a body to be quorate?” “What are the principles according to which decisions are taken – unanimously, by two-thirds’ majority with further qualifications …?” “How is information conveyed to the outside?” “Who takes on special functions and how, whilst avoiding the emergence of a hierarchy – will appointments to functions be permanent or will appointees rotate, will there one appointee per function or appointments in tandem?” “When, how and by whom can the project framework be changed?” For the decisions on project framework, there should always be the requirement of unanimity. Every additional round of talks leading to more common ground and commitment is worth its while and not a waste of time and money in change of pattern projects.

Two closing statements about project management using the TM approach. Firstly: Try to embrace contradictions relevant to the task by bringing in players who represent these contradictions. It will not make work on the project team easier - but if you do not get them on board, implementation on the open stage, outside protected spaces, will not be simple, either. Secondly: Devise change projects is such a way that players can gather experience for the future from “rehearsing and testing their actions”, which makes learning from models possible for those concerned. Where else should the relevant focus and behavioral patterns needed for later ongoing operations start to change if not in the protected space of a project explicitly commissioned and regarded as necessary?

Irritating traditional thinking and action via business-process orientation (Pillar 7)

The use of “business-process orientation” aims at several goals. By permanent confrontation with interdivisional, customer-focused external logics, business process-oriented thinking causes irritations to internal logics which are obstacles to cooperation as they are centered on functional units. Thus, the members of an organization are motivated to reconstruct their own reality in terms of day-to-day business in general and the functionality of the way in which they perform their tasks in particular. The loyalty they feel towards the organization seconding them is relativized, and thus leads to more cooperative capabilities in the project bodies and more loyalty vis-à-vis the change project.

Via the process of jointly drafting a proposition which deals with “organizationally neutral ideal processes“[3] and is pursued by the project players themselves, via a permanent focus on customer needs and derived central “performance capability features”[4] on the level of process and output quality, project players build a new reference system for thinking and acting. As they focus more on the entire business process and less on the individual functional units, the players leave the parochial reality of the functional unit they belong to in the regular organization and delve into a wider, interdivisional reality. This is the prerequisite for players to join forces as they plan new, (more) functional solutions which they then analyze for their suitability from an agreed broader perspective.

---

[3] An “organizationally neutral ideal process” is explicitly not meant to denote the processual mapping of real process practice and fulfillment of tasks. An organizationally neutral ideal process roadmap tries to capture all value-added performance and outputs for the benefit of the customer done today and possible tomorrow; ideally is it a “greenfield development”. The purpose is to leave the narrow boundaries of the here and now by jointly working on a broader ideal case, and subsequently to come up with a diagnosis of the status quo and work on a proposition on the basis of the more comprehensive ideal view.

[4] To me, “performance capability features” in a process or part of a process is a minimum sample of central requirements which process players permanently have to bear in mind, balance and work on in thinking and acting on an operational and managerial level to keep the process part successful in the relevant “market” in the medium run.

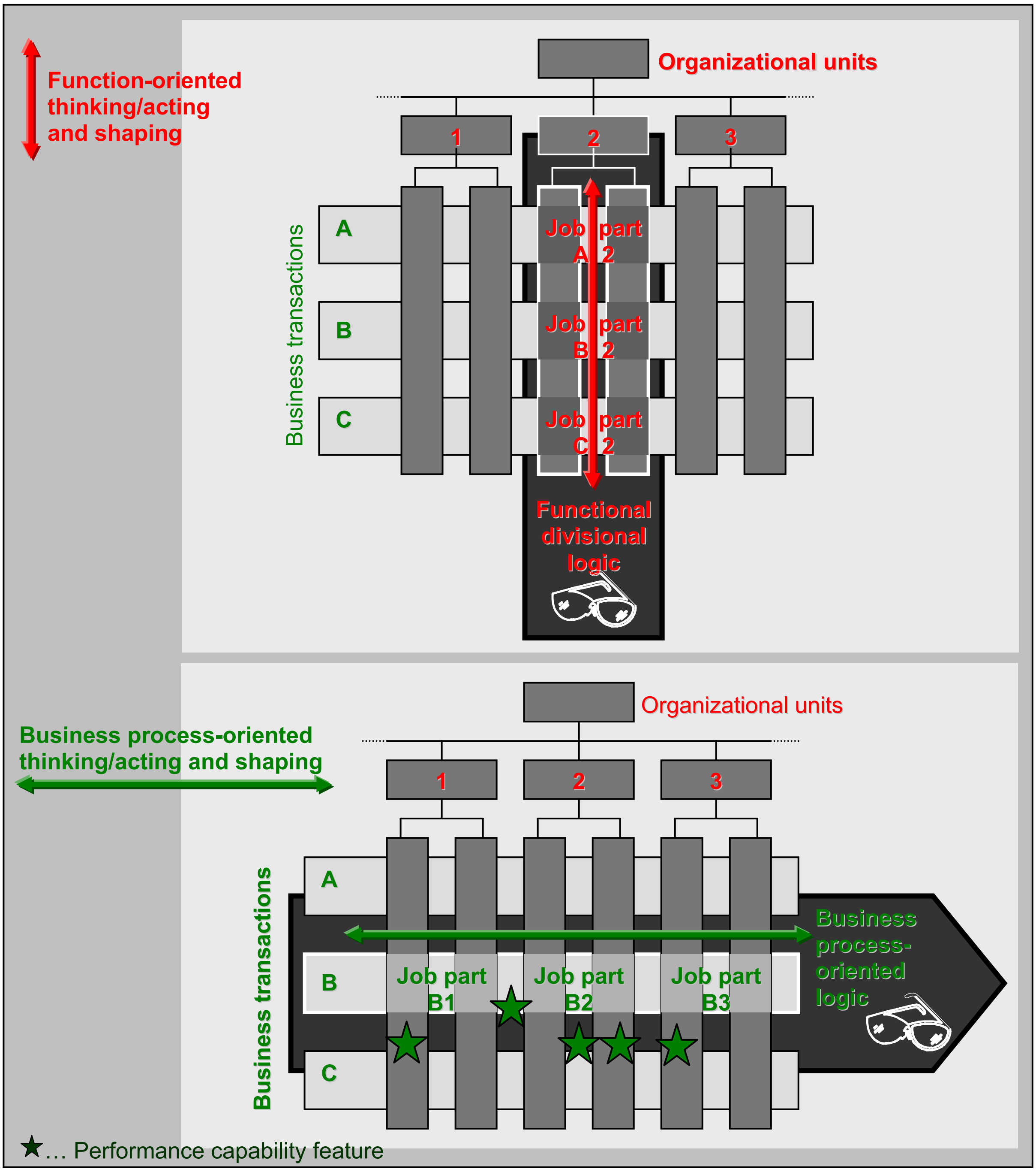


Illustration 05:

By way of conclusion, let me now keep my promise about a brief excursus into the world of "**Complementary Consultancy**" (**CC**).

Much like the TM approach, the CC approach also looks for a way out of the conundrum of strong points and weaknesses in the OD and CM approaches. It does so by explicitly bringing in consultants with expertise in OD processes and CM who work in parallel or with each other in a coordinated way. As far as I can tell from the first publications, talks with colleagues who use the approach in their consultancy work, and my own experiences, really successful cooperation in complementary consultancy is based on an agreement among all consultants that the process focus from OD will determine the framework for proceeding and attitude, and that technical expertise is introduced into the system in a gentle manner subject to permanent reflection based on a "systemic loop"[5]. As little has been committed to paper on CC as regards details of interventions and instruments, the basis for my arguments comes from my own well-founded observations and experiences and not so much from scientific evidence and research. My successful CC projects eventually developed according to the TM logic, with the sole exception that technical expertise was not furnished by myself or consultants working with a traditional approach but by technical specialists who coordinated their contributions with me. In this context, factors central to success included

/ consideration to TM aspects on the level of procedure, attitude and tools,

/ mutual appreciation for the consultants representing the respective "other" approach and their core expertise,

/ sufficient time for internal coordination, including mutual communication of aspects which were relevant or decisive for action at the time,

/ understanding of the client for the time and effort required for coordination.

[5] In the OD approach, "systemic loop" denotes a sequence of events from "hypothesis formation" to the system OD consultants work with, "intervention planning", "intervention handling" and "reflection on the intervention".