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# Organizational Development and Coaching in Complex Environment

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## **ABSTRACT**

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The goal of the thesis is to first study the mainstream thinking of organizational development and coaching that is widely used in organizations around the world and taught in most business schools and universities. After this, another way of thinking about organizations is introduced, namely the “complex responsive processes of relating”. This thesis then develops conclusions of how this new way of viewing organizations might affect the practices of organizational development and coaching. This thinking is then applied in a narrative case study where both of these different viewpoints are used to explain the situations and the events described.

The working method of the thesis follows the principles of narrative research. In practice, first the underlying frameworks of thinking of the narrator are introduced in the first four chapters and then they are applied in a narrative case study.

This thesis shows clearly that the thinking of organizations as complex responsive processes of relating gives enhanced viewpoints to the different organizational events. It offers better explanations for what is going on in the daily organizational life and why it appears that e.g. the plans and strategies designed by powerful managers are rarely met. This way of thinking enables an organizational developer or a coach to make better sense of what is really happening in the transformative processes and with this enhanced understanding it becomes easier to focus on the areas of work that matter most.

**Keywords:** complexity, consulting, coaching, organizational development, management, leadership, organizations

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# 1. INTRODUCTION

Organizational development is one of the key focus areas of modern companies. In the fierce competitive environment, companies seek to find competitive advantage not just by making innovative new products, but also by optimizing the functioning of the organizations in order to be cost efficient and fast. This area of work employs a lot of professionals working inside the companies as experts and also lot of external consultancy companies. Competition is also hard in the field of organizational development and new methodologies are constantly being introduced and marketed. For the decision makers it can then be hard to understand what the consultants are actually selling and by what means they are seeking to improve the organization.

The goal of this thesis is to first provide a comprehensive understanding of organizational development and coaching – what those terms mean in theory and in practice. The contribution to the current thinking that I then seek to make with this thesis is to study what it means to both of these practices if the dominant view of organizations is updated with analogies coming from the complexity sciences. To achieve this, I will first look at the mainstream thinking of the theories around work psychology, as it is this thinking that the thinking around organizational development and coaching draws from. I will also look at some of the more modern theories coming from the tradition of systems thinking that are commonly used to support and expand those views.

I will then proceed to introduce a different way of thinking about organizations that utilizes analogues from the complexity sciences. This particular way of thinking sees the organization as complex responsive processes of relating (Stacey, Griffin & Shaw, 2000). I will then study what the implications of thinking about organizations in these terms are for the practice of organizational development and coaching in real organizations. For this purpose I will also introduce a case example from my own lived experiences of organizational development and coaching work with a method of narrative research suggested by Stacey (2010, p. 221-224).

## **2. MAINSTREAM VIEW ON THE ORGANIZATIONAL DEVELOPMENT**

In the past decades there has been lots of development in the theories of organizations. Organizational development (OD) practice has become a branch of work employing lots of people both inside and outside companies. Global companies may have their own organizations for organizational development personnel who work in different roles leading improvement activities and projects inside the company. They might also have external consultants working with them to seek areas where there are possibilities for improvements. One popular methodology used in organizational development is coaching, which is done in several levels of organization.

Both the organizational development and coaching heavily draw their theories and thinking patterns from the field of work psychology. Many of the professionals working in Human Resources have been educated in the field of psychology, specializing in leadership and organizational psychology. Thus the management often consults them in the situations where deeper knowledge of people is needed. HR consultants are also often part of senior leadership teams thus influencing many of the strategic decisions. On top of that, big companies also have occupational work/organization psychologists that are also consulted in various organizational events where deeper understanding of humans and organizations is needed. This is also a two-way street; around 1950s the system theories developed by engineers influenced heavily not only the organizational management theories but also the fields of sociology and psychology, and led to the development of cognitive psychology (Stacey 2010, p. 38).

Because of the link between work psychology and organizational development, I will try to capture the essence of mainstream thinking in work psychology and point out in what kind of causality thinking it is based on. Different causality frameworks are then introduced in more detail in the second section of this thesis, but in order to be able to use them in this section I will give a brief introduction of them here:

The Natural Law (Efficient) Causality means that the movement towards future is known and governed by natural laws. Thus the objects don't have any choice but to

behave according those laws of nature. Rationalist causality assumes that the movement towards future is decided and controlled by human being and thus it is also known. Formative Causality assumes that there is a systemic whole that controls the movement towards future and thus the different parts of the system have no choice but to behave according to the systemic laws. All of these causalities also assume a possibility of an outside observer who can control the system or the objects and thus steer them towards the desired future. Transformative causality assumes that the movement towards the future is unknown and is created and possibly transformed in the local interaction between the objects. Thus there can't be any outside observer that could control the outcome.

The books and articles used as references are selected on the basis that they, firstly, are used in the cum laude studies of psychology in Finnish universities, and secondly, are in line with the mainstream thinking that I have seen used in my practical experience of working in organizations for 12 years and attending dozens of trainings in different fields of managerial practices.

## **2.1 Work and organization psychology**

To understand in what ways the organizational development practice is used to improve the efficiency of the organization, it is important to understand the different aspects of work psychology it derives from. In the following paragraphs I summarize the key aspects that are considered to frame a holistic view of the work.

### **2.1.1 Job profiling**

In his article Bartel (2008) tells that the most important aspects of the work analyzing are defining the job description and person specifications. These definitions are important in many aspects – one can define what kind of personnel are wanted, what kind of training is needed, how the performance is measured, how organizational changes should be implemented, what kind of work security is needed, how the resourcing is handled, what are the needed salary-levels etc. This is seen as a really

important pre-information especially for bigger companies where plans have to be made at a rather abstract level.

Bartel (2008) also introduces different methods for making job profiling. Employee oriented Job Elements Method focuses on the behaviors needed to succeed in the job, whereas task-oriented Hierarchical Task Analysis has the focus on the analysis of the tasks. In the complex work-world of today the tasks are bound to change rapidly and so very precise analysis aren't always seen useful. This is why the job profiles are nowadays widened to include competence areas rather than the specific skills.

### **2.1.2 Work motivation and stress**

Competence tells what the employee is able to do whereas motivation defines how willing the employee is to do her work and in what quality level. Hertel and Wittchen (2008) analyze in their article the reasons why some people are motivated for the job and why others aren't, and how the high motivation level could be transferred to efficient work. Theories of the intrinsic motivation explain how the personal needs and the features of the work-tasks form the ground for the emergence of different motivational levels. Theories of motivational processes then explain how the motivation itself emerges and how it transfers to concrete behavior.

Hertel and Wittchen (2008) suggest that intrinsic motivation is born from the combination of the personal needs and the features of the work-tasks. In practice this would mean that e.g. incentives wouldn't have any effect on the level of intrinsic motivation. On the other hand they also propose that incentives could lift the level of intrinsic motivation in the case of less interesting work-tasks. Personal needs have been analyzed and categorized in many different theories. Most commonly known example is the Maslow's hierarchy of needs (Cherry, 2011), which specifies five types of needs (physiological needs, needs for security, social needs, self-esteem needs and the need for self-actualization). Hertel and Wittchen (2008) also introduce some theories for defining the features of the tasks like Job Characteristic Model (JCM). JCM theory even has a formula for calculating the Motivational Potential Score (MPS):  $(width\ of\ the\ task + task\ identity + task\ meaningfulness) / 3 * autonomy * feedback$ . It is easy to see from



the formula that the autonomy and feedback are seen the most important factors for the emergence of the motivation.

When introducing the theories relating to the motivational processes Hertel & Wittchen (2008) reference to the model developed by Heckhausen & Gollwitzerin. The model separates the acts of humans in four stages that are linked to different process theories: 1) Choice → Expectancy Theory, 2) Setting goal → Goal-Setting Theory, 3) Implementation and regulation of behavior → Self-Regulation Theories, and 4) Evaluation and the results → Justice Theories. These process theories study the whole that affects the emergence of the motivation and how it transforms to productive work.

Supervisors spend a lot of time working with the motivational issues of their subordinates. When trying to improve the efficiency of the organization, it is often the work motivation of the individual employees, which becomes the focus of work for the supervisors. Top management usually focuses on the incentive plans that apply for the larger parts of the organization, but in the end it is the level where the actual work is done which defines whether the incentive plan is successful or not. The problem with the incentive plans is often the question of how to measure the performance level. Even if the incentives would increase the motivation, the (usually numerical) metrics that define the performance level can emphasize the less important parts of the work tasks and thus become counterproductive. Another common problem is that of the local optimization, where the incentives are optimized for some specific area of work instead of the more holistic company goals, which can also lead to counterproductive results. In that regards it is seen better to focus on the intrinsic motivation with other means, such as coaching, as it then becomes possible to design the metrics and feedback more flexible.

Work stress is also a very important subject for organizational studies. Especially in the times of organizational changes that are caused by the modern quartile economy, the work stress has significant impact on the overall efficiency of the employees and companies. Le Blanc et al. (2008) introduce in their article different theories relating to the creation of work stress. Stress is viewed from three different aspects: Stress as a stimulus, stress as a reaction and stress as an intermediate between the stimulus and the

reaction. The theory on the Job Demands and Resources (JD-R) represents the first point of view. According to the theory the relationship between the demands and resources defines whether the job leads to exhaustion or to engagement. Le Blanc et al. (2008) suggest that the stress can be avoided at three different levels: Changing the behavior of the organization, supporting the employees' resistance towards the specified stressors coming from that particular organization, and improving the employee's general resistance towards the stress.

### **2.1.3 Teams in the organizational work**

In the modern global companies it is common that the work is done in different time zones and in different cultures. For achieving the goals of the company it is often seen important to have employees in different parts of the world. Also the cheap labor in developing countries forces the companies to seek cost savings from there. As the work is divided in this way it means that there are increasing challenges for the cooperation between the employees located around the world.

Vartiainen & Andriessen (2008) introduce the concept of virtual teams and the technology that makes the cooperation between them possible. Virtual teams are geographically divided teams, where the usual means of communication are the teleconferences, emails, videoconferences, instant messaging and different kinds of virtual desktops. The article introduces a systemic perspective to the teams, which suggests that three overlapping factors define the type and the results of the virtual teams. These factors are: the complexity of the tasks, the complexity of the context and the needed internal mechanisms and tools to control the whole.

Vartiainen & Andriessen (2008) continue to introduce four different types of teams that those three factors form: the traditional teams, the separated teams, the virtual teams and the mobile teams. The most important differentiating factors are the location of the employees, the means for the cooperation, the mobility, the time zones/work times, the stability of the team, and the diversity. In traditional teams, all members are at the same place working "here and now". In separated teams, the employees are in the different locations and in virtual teams a set of different electronic communication/cooperation

tools is used. On top of that some team members might often move and change the locations of their work desk. These different types of teams are seen to create challenges to the supervisors too – giving feedback, organizing team building and rewarding are more difficult in the virtual teams where the supervisory responsibilities can be shared between several people.

Perhaps the most well-known theory on team development is the process theory, which Bruce Tuckman introduced in 1965. According to the theory, every team goes through the same five stages called forming, storming, norming, performing and adjourning (West, 2008). There are lots of organizational consultants providing assistance for teams to go through the initial stages of the development and reach the most productive stage – the performing. However, it is also commonly admitted that only few teams ever reach that critical fourth stage.

#### **2.1.4 Leadership and organizations**

According to the article from Brodbeck (2008) the leadership in the organizations can be viewed from three different aspects: By studying the characteristics and behavior of the leaders, by studying the events where specific characters work well (contingency theories) and by studying the social environment and relationships between the leaders and subordinates in different situations. The article suggests that the characteristics of the leaders can be studied with a matrix where the vertical axis represents the “concern for the people” and the horizontal axis represents the “concern for the results”. This gives a set of different combinations of leadership styles. One example of events focused theories is the path-goal theory, which suggests that leadership is efficient when the behavior of the leader varies according to the different situations in order to maximize the motivation of the subordinate. One example of the relationship focused theory is that of power relations, where the different skills and permissions of the leaders and their subordinates are used by both, to affect the work and the motivational factors.

Hodgkinson (2008) focuses on strategic leadership in his article. In order to survive in the hard competitive environment the company has to renew and find new strategies for

the growth and for the increasing of productivity. This is the reason why organizations seek to benefit from scientific studies of how organizations should work. The article then introduces a model developed in 2001 by Anderson et al, which structures the scientific basis of work and organizational psychology used in companies: “Pragmatist science” is exact and relevant, “Pedantic science” is exact but not relevant, “Popularistic science” is relevant but not exact and “Puerile Science” is neither relevant nor exact. Anderson suggests that work and organizational psychology should be based on pragmatist science in order to stand up from the various movements seeking to improve the welfare of companies.

Psychological understanding is also seen as a very importance aspect in strategic leadership. This is because different areas of strategic leadership (e.g. organizational changes) demand the leaders to have understanding of how it would be possible to change the behavior of the employees. Another focus for the studies is the mental models used by the leaders to understand the competitors and the cognitive biases while making the strategic decisions. Hodginson (2008) introduces an example of a failed organizational change that was made to assume the Total Quality Management – framework. The analysis of the failure suggested that the reason for it was the mental models held by the employees, which weren’t compatible with the new way of working.

### **2.1.5 Organizational changes**

Organizational changes are clearly one of the key areas of work psychology. Peiró & Martinez-Tur (2008) examine the organizational changes from four different basic concepts: Change, Redesign, Development and Transformation. Even though the concepts are close to each other, there are some big differences in the practical level. Change is the most general one of these and can include many kinds of changes no matter whether those are planned or not. All the other concepts mean the planned changes.

In the Redesign an organization is seen as a system that can be improved by fixing the task allocations and implementation processes inside it. In this viewpoint the social complexity of the organization is usually ignored. In the Development the organization

is seen as a social system where there are different groups participating the change process. This means that the role of the coach/consultant is also different from the other models. Redesign requires an outside expert who can find the problems and solutions based on her extensive expertise while the Development requires a process consultant who helps the employees to realize themselves the need for change.

Transformation is different from the Development in a sense that it is a more radical change. While the development focuses on the inner parameters of the organizational culture the transformation requires the whole culture to change. This means fundamental changes in the current belief systems of the employees.

Peiró & Martínez-Tur (2008) introduce also theories that explain the underlying change processes. Lifecycle theory and Evolutionary theory are linked to the Development while the Teleological theory and Dialectical theory are linked to the Transformation. Lifecycle theory uses a metaphor of a growing organism where the changes happen in stages and are cumulative in nature, so that all the stages are closely related to each other. Evolutionary theory on the other hand suggests that the change happens in a continuous cycle where there is variety in the organizational forms and selection, which defines which changes remain and which are rejected.

According the article by Peiró & Martínez-Tur (2008) the Teleological school suggests that the goals and purposes are defining the change. Theory suggests that an organization as a system adapts to the form that is the best one to reach the goals. This is said to make radical transformations in the organization possible. Dialectic theory is divided in two different models: Schematic change means that there are changes in the shared schemes between the people, which then affect the functioning of the organization. These changes can be radical changes in the culture that leads to transformation. The second dialectic model, the Communicative change is based on the notion of social constructionism and suggests that the changes are possible through dialogue and other communicative forms. Both the Teleological and Dialectical theories see the change as a breaking out from the past, which enables the end-result to be something else than what was originally planned.

One important remark has to be made here, the Peiró & Martínez-Tur (2008) use terms such as “transformation” and “teleology”. These terms are also used in the theory of complex responsive processes of relating, but as explained in the second section of this study, they have a very different meaning there. Thus these terms should not be confused.

### **2.1.6 Conclusions - the assumptions made in the mainstream thinking**

It is evident that the theories introduced above have a lot in common; they are all consistent with each other and provide complementary viewpoints to the concept of organizational development. This is because they all come from a thinking that takes for granted certain assumptions of the organizations and individuals:

First of all, it seems to be evident that there is some system called “organization”, which has certain parameters that can be measured somehow and which can be observed from the outside by some outside observer. There is a tendency to think about organizations as mechanisms or organisms. Stacey et al (2000, p.20) point out that this is based on the Kantian philosophy of systems thinking. However, Kant himself made a distinction between humans and other organisms – he said that humans should not be thought of as systems because the humans have a free will, which is missing from the other organisms such as plants. Still in the dominant management thinking the organizations are seen as systems that are bound to function according to the rules that are set to them – ignoring the free will of the human beings who form that very organization.

Another assumption seems to be that also the individuals in the organization can be measured with certain parameters and characteristics, which can be observed from the distance by some outside observer, such as the supervisor. This idea seems to be based on the Cartesian thought of minds located in individual brains and separated from each other by physical space. This is the common mind-frame in cognitive psychology, where human brain is seen to function according to logical processing principles like computers (Stacey et al. 2000, p.159). It isn't surprising that this is the taken for granted in view of individuals used in the organizations, too, where most of the people (including management) have a technological education.

Another assumption taken-for-granted concerns the causality framework that is used. Although Peiró and Martínez-Tur (2008) introduced a framework that seemed to differentiate four separate views to the organizational changes, even the most radical one called “Transformation” was clearly based on the common systems thinking. Peiró and Martínez-Tur (2008) suggest specifically that the Teleological and Dialectical theories are different from the rest in a sense that they “break out from the past” and thus enable a radical transformation. However, they don’t give any explanation in what way those theories break out from the past, and what it actually means to “break out from the past”. Instead they suggest that the Teleological theories are based on the pre-defined goals and purposes – i.e. the goal is already known in the beginning. So it seems that the goal is actually defined already in the past and the radical change “just happens” somehow towards that predefined goal. At least for me that isn’t a “break out from the past”; quite contrary, it is fulfilling the plans made in the past.

The causality framework that underlies most of the articles referred to here is the same that dominates the scientific method in western thought. Stacey et al. (2000, p.22) call this the natural law causality and in the later book Stacey (2010, p.19) calls it the efficient causality. Peiró & Martínez-Tur (2008) go a bit further drawing from the systems thinking traditions and use the causality frameworks of formative and rationalistic causality in their introduction of the Transformative theories of organizational change. However, as we can see later, none of the articles use the causality framework introduced by Stacey et al (2000, p.84) called Transformative Causality.

## **2.2 Organizational development**

Organizational development can be seen as one area of application of work psychology in the organizations. The areas of organizational development (and work psychology) cover all the different aspects of the organization introduced in the previous chapter. However, as Hodgkinson (2008) points out, there are several approaches to the science behind the theories used and thus also several areas of professionals working on the field. There are lots of consultants with diverse backgrounds – self-learned and formally

educated – that work with organizations and draw the theories and practices from various management books and personal experiences. Theoretical background or education isn't usually the determining factor for working with organizations; it is rather a matter of having the right networks and contacts. Thus there are lots of so-called “experts” in the field claiming to have expertise in the current fads of organizational development.

### **2.2.1 History of OD practice in systems thinking**

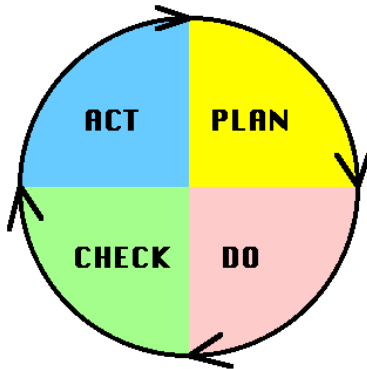
Patricia Shaw (2002, p. 125) argues that the activity that came to be known as Organizational Development was based on the philosophy of rational constructionism. The practitioners tried to use the behavioral sciences to improve the organizational processes. The idea was to use planned and sustained effort in reflexive manner to find out where the areas of improvement existed. The underlying assumption was that the organization formed a system that could be designed to work in optimal ways, by making changes to the different levels of that system – e.g. the teams, departments, businesses, communities and so on. These parts were seen to work together forming interfaces towards each other. The design of these interfaces and the exchanges between them could then be improved, which would improve the overall effectiveness of the whole system.

Shaw (2002, p.125) continues to argue that there were several widespread technologies formed for the purposes of organizational development, such as process consultation, survey feedback, teamwork inventories, inter-group dialogues and coaching. The idea behind these practices was to create a collective reflection, which would create better understanding of the systemic patterns that were seen forming in the organization. Understanding of what gave rise to them and in what ways those systemic patterns could be changed.

One commonly used method is that of the Deming's circle, which suggests that continuous improvement can be achieved by following four simple circular rules (picture 1): Plan: Design or revise business process components to improve results, Do: Implement the plan and measure its performance, Check: Assess the measurements and



report the results to decision makers, Act: Decide on changes needed to improve the process. Deming's circle is one example showing the common understanding of learning in organizations. Shaw (2000, p.126) argues that the whole OD practice was shaped by the idea that learning happens in individual cognitive models. These ideas lead to a view of systems adapting with cybernetic feedback processes.



Picture 1. Deming's Circle. (Averson, 2011).

In the following I will review some of the organizational development practices widely used in the organizations. I will also point out the assumptions of causality that those practices are based on.

### **2.2.2 Process consultation and coaching**

Process consultation is a widespread term that has practitioners from various different frameworks. The common factor in most of these approaches seems to be the idea that a process consultant can act as an outside observer of the phenomena in organizational groups and then form models of / interventions to the common behaviors that he sees. The idea behind the process consultancy is, quite opposite to the regular consultancy, that the process consultant himself won't usually take any active part in telling the group members what to do and how to change their behavior. The goal is rather to help the group members to see themselves what changes are needed.

Shaw (2002, p. 128) points out Schein's view of a process consultant's role as an "audience" who can form simplified models of the relationships between the group members and their tasks, thus enabling him to create guiding actions. It is easy to see

that this is a view based on the formative causality framework, as the consultant can by her reflexive thinking design the correct interventions that will guide the behavior of the whole group towards the desired direction. In other words, there is an assumption of some more mature state of cooperation that just has to be reached.

Coaching is a term that is gaining popularity in business world. Carlsson & Forssell (2008, p.28) describe how consultancy companies in the USA originally created it in the 1980's when the companies shifted from using internal mentoring and therapy-services as the development path for their leaders, to externalizing it. Practice that originally started as executive coaching is now a wide variety of different kinds of coaching practices targeted to different needs. Generally, coaching is seen as an activity that has a lot in common with process consultancy, as the common idea is that the coach doesn't provide ready answers to the clients either, but instead helps them to realize the answers themselves. The coach doesn't define the goals for the clients either, but instead lets them to do it by themselves (Carlsson & Forssell, 2008, p.40).

There are also other approaches to coaching such as Agile coaching, where the coach is seen as an expert of "agile" methodology and based on her expertise she already knows how the teams should be working – the coaching part is mainly to make the teams realize the way of working themselves, so that they are motivated to work that way. Here the assumption of the optimal/mature way of working is even easier to see.

Another branch of coaching is "Solution focused coaching". As the title suggests, in this philosophy it is seen advantageous to focus on the "solutions" instead of the "problems". In some sense it could be said that solution focused philosophy updates the error-focused scientific method to that of the systems thinking. Here the focus is in the bigger whole where it is always possible to find more positive perspectives even in very challenging situations. The philosophy is then related to that of a positive psychology, where the focus of studies is on the positive experiences that people have, instead of the negative ones, which is the focus of mainstream studies (Gable & Haidt, 2005). One of the most popular methods used in solution focused coaching is that of people visioning a future that they want to be in. This image is carefully looked at from many different angles and then a path towards that desired future state is built. There are many different

predesigned structures that can be used to facilitate this kind of session. Also in the other branches of coaching the different facilitation techniques are generally seen as the core skills of a good coach. Green & Grant (2003, p.100) describe how important it is to structure the coaching session so that it doesn't just become "a friendly chat which may lead nowhere."

Even though the solution focused approach uses "bottom-up" design of the desired future state, where the clients create the desired future themselves instead of some manager prescribing it, the assumed causality is clearly formative in nature. Existence of a more mature or optimal future state is assumed, which only needs to be found and reached by changing the thought-patterns from the problem-focused thinking to that of the solution-focused thinking.

### ***Personality & motivation***

In order to see what kind of assumptions are made of the individuals in the practices of process consultancy and coaching, I will briefly introduce the mainstream thinking that underlies these practices.

One of the concepts commonly used when thinking about how to improve efficiency of the workforce is that of the motivation. Motivation is used as a concept that tells how willing people are to use their skills to the benefit of the organization, and the level of the quality they are willing to put in their work. Motivation is usually linked to the personality of the employee, thus it is seen important that leaders motivating their employees will understand the personalities of their subordinates.

Metsäpelto & Feldt (2009) introduce a common view of a personality that includes three different levels from where the personality is looked at. The first level, "the traits", assumes that the qualities of personality are rather stable and do not change as time goes by in changing situations. Instead it is those qualities that define how the person acts in different situations. The second level, "personal projects", challenges the first level and views it from a perspective where the personality actively adapts to changing

circumstances and social roles. The third level, “life stories”, views it from a perspective of narrative identity that is continuously developing during the whole life.

In the first level, Little (2011) introduces the “big five” of personality: neuroticism, extraversion, openness to experience, agreeableness, and conscientiousness. These qualities are viewed as rather stable features of personality that don’t change during the lifetime. All the challenges and situations of life are being met from these predefined behavioral traits. When these traits are known (e.g. by doing some psychological assessment) then it becomes rather easy to define what the things that “motivate” the personality are. Extraversion for example can tell about natural needs to seek out rewarding stimulation and change, whereas introvert people try to avoid punishment – especially if they are also high in neuroticism.

Little (2011) introduces the second level, the “personal projects”, from the view of Personal Action Constructs (PAC). These include the personal projects, personal strivings and life tasks. It then becomes quite easy to measure with different questionnaires what the PAC’s of that person are. This would then become the tool for a manager to motivate the employee by seeking out tasks that would support those PAC’s and try to avoid the ones that are clearly in conflict with them. Of course the manager might have limited options to find such tasks.

Also the third level, the “life stories”, can be viewed from the perspective that gives opportunities for actions of motivating. By engaging in discussions about the personal life stories it becomes possible to create different relationships towards our life paths and ourselves. These stories can reveal different ways to look at our tasks in the present moment. A story can create quite positive meanings for our tasks, which will then increase the motivation level. On the other hand, some other story can have opposite meaning. This is something that a skillful coach / process consultant can affect for example in the context of occupational supervision.

Ford and Smith (2007) introduce in their article a framework called Thriving with Social Purpose (TSP). The framework is based on a Motivational Systems Theory (MST). In MST four interdependent processes define the motivation: personal goals,

capacity beliefs, context beliefs and emotions. Capacity beliefs and context beliefs are also known as Personal Agency Beliefs (PAB). In order to define personal goals, table of 24 most significant goals according to research is used. PAB's are defined with a matrix that categorizes the cooperative action between the beliefs and emotions are defined in all the other three processes. These processes are then studied by formulations in order to find out the motivational levels.

Ford and Smith (2007) suggest in their article that the core of TSP is the development of optimal human functioning through the amplification of motivational processes. The concept of amplification means that different factors can amplify each other's so that they form self-amplifying positive cycles. In practice success and motivation can lead to more successes, which will then lead to increasing motivation etc.

It becomes clear that theories that view people as systems of traits, personal projects or motivational factors, fall to the category of formative causality. In that kind of thinking, it is assumed that people can be treated as systems that have an interface of factors that can be manipulated in order to create the desired behavior. In effect, that is what the motivation stands for: the willingness of people to use their skills in the ways the organization (or the manager) wants them to. Even the third level of personality, that is that of the narratives, is seen in the motivational context as a tool to affect the behavior of the person from the standpoint of an outside observer.

### **2.2.3 Learning organization**

Senge (2006) has been developing the concept of Learning Organization. This is an approach of organizational development and strategic leadership that has a set of four core disciplines that the manager has to develop: Personal mastery, mental models, shared vision and team learning. The fifth discipline, which is the title of his famous book, is that of a systems thinking, which enables to develop a new shift of mind that leads to better understanding of cause-effect relations. With this new thinking the manager can identify and map the processes that nurture the growth and mitigate the ones that limit it.

Stacey (2010, p. 11) argues that learning organization provides an addition to the dominant theory of management, which is the “Strategic Choice” theory. Strategic Choice theory sees managers as being able to make efficient forecasts of the future, which will then enable them to choose the desired future states for the organization. In this theory the managers can set measurable goals and monitor the outcomes in order to steer the organization to the desired direction. The learning organization adds here the core disciplines that are supposed to be the effective tools of managers for this steering.

It is very clear that this practice is founded upon the thinking of traditional systems thinking, where the manager as an outside observer can design and make interventions to the system, thus guiding it to the desired direction. The used causality framework here is then the formative causality, which doesn’t take into account the emergence of novelty or free will of individuals, but rather sees people as parts of machine that have no other choice but to function according to the systemic laws of the whole.

#### **2.2.4 Communities of Practice**

Shaw (2002) introduces Etienne Wenger’s view of Communities of Practice (CoP). These are self-organizing groups that form and dissolve on their own accord and concentrate on topics and areas of interests they choose themselves. So instead of being designed and created by some managerial actions, like traditional teams and groups, the CoP forms without any such prescriptions. Because of this they are also able to negotiate their own identities, meanings and boundaries for membership. Here the focus of the group is on practices, not on actions as in the traditional organizations.

Shaw (2002) points out that while the basic idea of Wenger was quite consistent to the idea of complex responsive processes of relating behaving according to the transformative causality, he seems to try to find ways of how the CoP could be used as a macro concept to design an organization. The underlying causality here seems to be that of the transformative causality, as the meaning is continuously negotiated in the relationships. However, the way the notion of CoP is used by Wenger and many of the consultants in the field of OD is that of an outside observer making sense of the organization and then designing interventions to it – or making an assumption of what

kind of communities of practice should be in place in the optimal / mature organization and then guiding the system towards that state.

### **2.2.5 Complex Adaptive Systems**

There is currently an increasing interest towards the complexity sciences in the field of organizational development. Complexity sciences are a set of broad and multi-disciplinary subjects that have been developed in different fields of study during the last 70 years or so. Some of the theory frames have been developed from cybernetics in the 1940s, general systems theory in the 50s, chaos and catastrophe theory in dynamical systems in the 1960s and 70s and in recent years there have been many studies of Complex Adaptive Systems (CAS) too.

Complexity sciences seem to provide an updated view to organizations and overcome many of the weaknesses of the more traditional theoretical frameworks. However, Stacey (2010, p. 79-88) argues that most of the literature presented on the topic is based on the natural law, rational and formative causality frameworks that don't provide much new but just the same theoretical frameworks in new jargon.

Complex Adaptive Systems are introduced in more detail in the next section of the thesis, but in order to understand the CDE-model, I will give a short introduction of them here: In short, CAS consists of a large amount of agents, each of which is interacting with some of the other agents. The principles of interaction aren't defined by any of the individual agents or as any centralized system - instead those principles are evolving in local interaction between the agents. In a biological system the agent could be a cell, in an economical system it might be a buyer or seller, in a cultural system it can be a meme and in organizational system it can be an individual. Dooley (1997) introduces an example where in the organizational context each of the agents are building schemas representing the rules of their local interaction. The schemas can occur in the form of attitudes towards other agents, function areas, values, symbols, assumptions etc. Schemas then compete for survival with other schemas and they can undergo different types of changes.

### *CDE Model*

The most widely used example of making sense of CAS in the organizational development context is the CDE model. Eoyang (2001) introduces CDE Model as a set of three conditions for self-organizing of human systems. The conditions include Container, significant Difference, and transforming Exchange. Self-organizing processes are influenced by these nonlinearly co-dependent conditions. A change in any one of the conditions results in a change in the other two over time. CDE model provides a simple and scalable framework that can be used to analyze emergent patterns in complex environments. In a social context these patterns can be things like groups that are formed by people, who act as intelligent agents in the system.

Eoyang (2001, p.34-35) writes that a container is a bounding condition that distinguishes a system from its environment. In human systems there can be several different types of containers. One type of container is external boundary. Walls of the room, membership of a group and physical spaces are examples of this type of containers. Another type of boundary is an attractor that draws agents of the system towards it. A charismatic leader or common motivating goals are seen as examples of attractor-type of containers. A third type of container is mutual affinity. Gender, culture and belief systems are examples of this type of containers. There are always multiple entangled containers existing simultaneously in human systems. It is possible to perceive agents and system-wide patterns within the containers, but they may be coupled, so that the patterns within one container influence the patterns within others.

Eoyang (2001, p.36-38) continues to introduce the Significant Differences – the differences in the rules of behavior between the agents. They represent potential for a change as they establish potentially generative tension in the system. A difference represents the state of a system and influences its internal dynamics. Differences in organizations can include decision authority, resources, language, goals, etc. A difference also points out a variation in magnitude that is big enough to cause change in the system-wide patterns. For example power difference between workers and supervisors may be significant enough to generate emergent patterns of behavior.



Eoyang (2001, p. 38-40) then introduces the Transforming Exchanges. They represent the transfer of information, resources, artifacts or energy between system agents that results in changes within the agents and/or changes in system-wide patterns. Exchanges may be formal like exchange of money and contracts or informal like conversations, exchange of ideas, etc. These exchanges can happen at all hierarchical levels of a system and also across the levels. As examples we could mention the goals that are given by the supervisor or the department for the worker, ideas and help given by a co-worker, requests made by the workers to the organization, etc.

So as a summary, Containers are any common nominating factors that hold the agents together, significant Differences hold potential for change of the system-wide patterns or even separation of the system and transforming Exchanges are the transferred items of the system that feed energy and momentum in it.

The assumed causality isn't as clear to see here, as it seems that the CAS can evolve to any direction based on the relations between the agents. However, it is also given that the CDEs determine the functioning of the agents and thus they are bound to behave accordingly. The assumption made here then is that there could be an outside observer who could design the correct CDEs in order to create the desired patterns of interaction that leads to the desired results. For example Cohn (2009, p.228) uses the concept in this way stating: "Self-organization and evolution occur in response to the environment in which the team works. Leaders can have a significant amount of influence on that environment."

So the assumed causality within the CDE model is clearly that of the formative teleology. CAS here is used just as an analogy to get rid of the need to specify the functioning of individual agents (as in natural law teleology) and instead the functioning of the whole is assumed, which will then make the individual agents function accordingly. This is a convenient view for the managers who then could just design the structure of the teams, processes and tools without a need to pay attention to the individuals. However, this view handles human beings as if they would behave like some abstract agents that just have a set of few rules governing their behavior. The free will of humans has again been left out of the picture.

## 2.3 Conclusions

In this chapter I have summarized some of the key concepts and thinking that underlies the practice of organizational development. The literature and the topics are those that I have seen to be the most common ones used in the organizational context of modern high-tech business. The interesting thing is that in the field of OD, the system thinking is just making its entrance as the most sophisticated way of thinking about organizations. It still seems to be the case, that only a minority of people has seriously questioned the mechanistic ways of thinking about organizations and leadership. The growing movements of Agile and Lean development, which are strongly based on the systems thinking, are in the process of replacing the mainstream vocabulary of organizations and management in the high-tech field. In the more conservative businesses and in the public sector even this development is just beginning to show some movement. Probably the high competitiveness of high-tech business forces experts in that area to develop new ways of thinking more rapidly compared with the more conservative fields.

However, even this “new” system thinking that is making its entrance on the leading edge is already becoming old-fashioned. The new trend is to expand the traditional systems thinking with theories coming from the modern complexity sciences. As Stacey (2010, p.79-88) points out, the most common response from the authors of organization development and management books towards this new development is to continue to utilize the thinking of systems theory also in the context of complexity sciences. In practice this means that the dominant discourse continues but only with a new jargon, words such as self-organization, emergence, strange attractors and edge-of-chaos. The theory of complex responsive processes of relating is seriously challenging the underlying assumptions made in the systems theory.

In this section I have referred to different causality frameworks used in the theories introduced. This is one tool for thinking that can be used to understand what kind of thinking the theories are based on. Another one is a notion of outside observer

designing the system. In the following chapter I will introduce these causality frameworks more specifically.

### **3. COMPLEX RESPONSIVE PROCESSES OF RELATING**

In the previous section I introduced the mainstream thinking of organizations, leadership and management. In their book, Stacey et al. (2000) form a different way of thinking about organizations. The ideas that they build upon come from many different authors, such as George Herbert Mead and Norbert Elias that have been thinking about human societies as well as others that have been thinking about language and organizations. They also “draw analogies from the sciences of uncertainty, the complexity sciences, to propose a theory of organization as a complex responsive processes of relating in which leaders and managers participate, along with all other organizational members“(Stacey, 2010, p. x). In this section I aim to form a summary of the key concepts forming this kind of thinking.

#### **3.1 Causality frameworks**

In order to classify different ways of thinking, Stacey et al. (2000, p.13) suggest to look at the assumptions they make of the final cause, or teleology. These classifications are made based on the following criteria:

- 1) Is the movement towards future assumed to be towards i) a known state or ii) an unknown state?
- 2) Is the phenomenon moving towards the future in order to realize i) some optimal arrangement, ii) a chosen goal, iii) a mature form of itself or iiiii) continuity and transformation of its identity?

They then differentiate five different causality frameworks based on these criteria: Natural Law Teleology, Rationalist Teleology, Formative Teleology, Adaptionist Teleology and Transformative Teleology.

### **3.1.1 Natural Law Teleology (Efficient Causality)**

Stacey et al. (2000, p.22) write that the Natural Law Teleology assumes that any phenomenon can be divided into clear “if-then” links of causality. These causes can be studied with reductionist approach in that attention is focused on the different parts of the phenomenon. In this approach the interaction of the parts in a phenomenon isn’t considered to be significant – it is only a result of the nature of the individual parts. A human being standing outside of it and making measurements of it can observe the phenomenon. This is the common way in the scientific method of doing hypotheses and then measuring whether the hypotheses were right. Here the movement is towards a known state of some optimal arrangement of phenomena governed by the natural laws. The movement is stable and predictable without any notion of self-organization.

This thinking is also evident in the current organizational improvement activities where tight numeric metrics are established in order to measure whether some action that was implemented resulted in desired outcomes. The way the optimization of organizations is done is usually following this kind of efficient causality. One example of this would be the Deming’s circle introduced earlier.

However, this kind of thinking within human organizations is quite problematic. It is difficult to establish simple mechanistic laws that would govern the actions of people. We can see that there are many such theories established in the fields of work psychology and personality psychology and the aim of these theories is to provide tools that could be used to understand the humans in terms mechanistic enough to be able to put them in mathematical formulas and predict the outcomes with “scientific” terms.

### **3.1.2 Rationalist Teleology**

Stacey et al. (2000, p. 24) point out that Kant saw this problem of free will of human beings already in 1790 in his “Critique of Judgment”. Because of this he created a separate teleology for the nature and human beings. The nature followed that of the Natural Law Teleology, but human beings with their free will followed that of the Rationalist Teleology. Rationalist Teleology assumes that people can autonomously

develop their own goals and the actions to achieve them - i.e. people develop their own purposes for action. Here the movement is towards a known state of some chosen goal. The rational theory is assumed to exist before the chosen action and as all the changes are due to human choice there isn't any notion of self-organization.

This thinking is also clearly seen in the contexts of work psychology and organizational development as a concept of motivation. Because people can choose their own purposes for action, it becomes important for managers to somehow affect those purposes. Managing the motivation of the employees then becomes very important for the managers. In order to do that the managers are given different tools with which they can motivate the people. Those tools can be monetary awards, feedback, recognition, etc. - the usual "stick and carrots" of organizations. Work psychology seeks to find out ways to categorize the common sources of motivation in order to create easily implementable tools (like formulas) for managers to know how to motivate people in optimal ways. This is easily combined with the notion of efficient causality: "Increasing a parameter there can increase the costs by "x" but also increase the motivation by "y"."

However, this is also a problematic way of thinking about organizations – especially if they are big. There seems to be lot of different, sometimes conflicting, factors that motivate the different people and still they will be left with the notion of free will – i.e. they might choose differently than what their "motivational profile" would suggest. So how could a manager with hundreds or thousands of employees manage the motivation of them all? Also, if the motivation is a highly individual thing with lots of different parameters affecting it, managers cannot have an exclusive access to it, but all the other things affect it, too – including the other employees. A simple solution for this problem is the development of Formative Teleology.

### **3.1.3 Formative Teleology**

If the interactions between the parts of a system become important, a different view is required to make sense of it all. Stacey et al. (2000, p.25) write that Kant also distinguished between mechanisms and organisms. While mechanisms could be thought of in the context of Natural Law Teleology, the organisms should have been thought of

in systemic terms. The radical idea here was that the system “as a whole” was moving towards some final state – the more mature form of itself. Any biological being could be seen to act this way – first it was a seed, which then developed through some initial stages to its mature form of e.g. a blossoming flower. Here the parts of the system itself are not that important but they get their real significance in the interaction that produces the whole – e.g. the sun, the water, the carbon dioxide and the plant together forming the chemical process of photosynthesis. The Formative Teleology then assumes that the movement of the systems is towards a known, pre-determined final form or mature state. The movement is produced by self-organizing interaction of the parts towards that pre-given form.

This is the common thinking that underlies common systems theories used in the context of organizational development. As the managing of individuals in big companies is seen problematic, it becomes easier to manage the purpose of the whole organization. This is done in several ways, including forming visions and strategies, giving incentive targets to the whole organizations, having company values etc. This thinking is very much the core of Lean development, which is a concept that was formed by consultants observing the way some big Japanese companies, such as Toyota, run their factories. As Poppendieck (2007, p.38-41) writes, one of the core principles was to “optimize the whole” instead of the local processes, thus avoiding the counterproductive results of the sub-optimization. This idea is also central to agile development where teams are seen as self-organizing units trying to adapt and achieve some commonly agreed goal.

However, there are also problems with this kind of causality thinking. Kant for example did argue that human beings could not be thought of this way, as they had the notion of free will. Therefore Kant suggested the causality referred here as the Rationalist Teleology. This aspect of free will is neglected when people are assumed to be governed by the Formative Causality. Instead, it is assumed that people in the organizations don't have any other choice but to function according the systemic laws of the whole moving towards its final state – excluding the manager of course, who is free to use his free will in designing the system. It is easy to see that this isn't what is actually happening in organizations. As Stacey (2010, p.5) points out, people in

organizations aren't just rule following human resources but often have their own agendas and needs for adventure, security etc.

### **3.1.4 Transformative Teleology**

All the previously introduced causality frameworks are moving towards some known form, whether it was given by natural laws, systemic wholes or by human choice. This kind of thinking doesn't leave any chance for the emergence of novel changes. All movement is very predictable, only errors in calculation or failure to measure and control the parts or the system could lead to unwanted consequences. Thus the organizational development work that is based on that kind of thinking is heavily concerned about what to measure and how. Improvement is seen possible only by making better plans or more accurate metrics to guide the system towards the known goal.

As Stacey et al (2000, p.31) point out; Bortoft overcame that limitation by stating that there isn't any "whole" that would control its parts. They continue to state that this was also what Hegel thought in his "Phenomenology of the Spirit". In this way of thinking the parts form the whole but at the same time are formed by the whole. An example would be a concept of family, which can't be pointed out separately from the members, but which still affects the identities of those members. Family is formed by its members and it forms the members at the same time. There isn't any pre-given end state but instead there is a possibility for continuity of the identities and a possibility for spontaneous transformation at the same time.

Mead (1932, p.176) suggested that we are creating the meaning for our speech and actions in a social act. This act has gestures that both answer to some responses and also demand for other responses at the same time. There isn't any fixed meaning in the gestures or responses, but instead the meanings of them are continuously negotiated in the social act. This means that as I am making a statement it is always a response for something that has been said or done before, but at the same time it is anticipating something that would happen in the future – in a way it is demanding something to happen. However, even though I try to anticipate and negotiate some specific kind of

response, I can't control that response, which then can change the meaning of my gesture. So at the same time the past and the anticipated future is affecting to the gestures made in this moment. The meaning doesn't reside in any single point but has always potential for both transformation and repetition. Here the assumed causality is Transformative Teleology, as the movement is towards an unknown future state where there is potential for both the continuity and transformation of the identity.

I haven't seen this kind of thinking used in the context of organizational development at all. It isn't part of the dominant discourse at all and consultants and organizational development people utilizing this kind of thinking are very rare. I suppose this is due to the fact that it is really difficult to question the dominant discourse, as it would mean a significant change to the identities of the managers, organizational development personnel and to the view of the organizations. In a way what is happening is that the dominant discourse is constraining the usability of concepts that can be used in the context of organizational development and at the same time it is enabling new kind of thinking to respond in ways that hold potential for the transformation. This is also the goal of this thesis – to provide a gesture (and a response at the same time) to the field of organizational development, which holds potential for transforming ways of thinking and acting.

### **3.1.5 Adaptionist Teleology**

The fifth way of thinking about teleology is the Adaptionist Teleology. Stacey et al. (2000, p.40) introduce this as a view that takes into account the dynamics of chance, as presented by Charles Darwin. Completely new forms can emerge by random variation of individual entities, where natural selection decides which variations are fit for the environment and which ones are not. If the variation is beneficial in the given environment, then the ones having this variation have advantage over those that do not have it. In this way the competitive struggle between the entities cause the survival of the fittest. Here the movement is towards the most-adapted state. The state isn't known in advance, but the environment is, which makes this theory close to that of the Formative Teleology. Self-organization towards the most-adapted state takes place in the competitive struggle between the entities.



This way of thinking is also used in the context of organizational development. As this is very close to the Formative Teleology of systems theory it becomes evident that organization could be to some degree managed by managing the environment. It is easy to see that e.g. markets can be seen as the environment where only the most fitted companies survive. However, as this causality framework assumes a chance to be the core of self-organization it doesn't provide a very scientific or controllable theory of managing or developing organizations. Thus this causality framework is not used very often when trying to make interventions to the organizations.

### **3.1.6 Conclusions on the causality frameworks**

The dominant discourse focuses on the first three causality frameworks, which assume the movement towards the known state. This is easy to understand as the practice of organizational development and management is by definition that of controlling the functions of the company and its employees. When talking about the organizations, the scientific management that has the longest roots is concerned with the Natural Law Teleology. The thinking of systems theory is concerned with the Formative Teleology. Stacey et al. (2000, p.50) point out that the dominant discourse also utilizes the Kant's split of different teleology for human beings (Rational) and organisms (Formative). Thus the individual choices of managers are seen from the perspective of Rational Teleology whereas the choices of the employees are either seen from the perspective of Natural Law Teleology (scientific management) or that of the Formative Teleology (systems thinking).

In practice this means that the managers can act as outside observers, outside organization, utilizing their free will in order to make interventions, whereas the rest of the people in the organizations have no choice but to follow the natural laws or the systemic whole that dominates them. Thus it can be clearly seen that this split has an effect on the identities of the managers and the employees. The assumed power is mostly (if not totally) on the side of the managers. However, this doesn't seem to be a realistic view of how things are. It is quite absurd way of thinking when it is looked at

from this perspective. There isn't much evidence of the functioning of this discourse in the results of real life corporations either, as Stacey (2010, p.13) points out.

The Transformative Teleology seems to provide a way of thinking about organizations that is more consistent with the actual experiences of people working in the organizations. Every project manager knows that most of the projects don't succeed, it was also taught to me in the first trainings that I attended when I first became a project manager. Most of the organizational development projects I have seen and attended have also failed miserably, often in relation with some large-scale organizational changes that have resulted in key people getting fired or transferred to other jobs. Why did these things happen? It wasn't certainly the aim of the managers, or the purpose of the company as a system. All the metrics and measurements were done in professional manner, motivating goals and purposes for the organizations were established. The competitors' actions can't be blamed either, not in many of the cases, so it couldn't be the competitive struggle of the markets either. Furthermore, sometimes the projects were successful and we were able to make changes and decisions that proved to be beneficial for the outcome. If the dominant discourse does not explaining this – then what could?

For me, the only viable option left is the Transformative Teleology that assumes the paradoxical potential for continuity and emergence of novelty, which can be creative and destructive at the same time. What this means is that the central processes affecting the organizations are what Mead called the conversations of the gestures.

### **3.2 Symbols and the language**

Stacey et al. (2000) introduced the Mead's theory of gestures and responses in order to explain the emergence of Transformative Teleology in human organizations. In his theories, Mead used a lot of examples of dogs. One example was a dog making a gesture with a snarl, which was calling forth a response from another dog. The other dog could then respond e.g. with another snarl as a signal of fight or by fleeing as a signal of submission. Here the meaning of the gesture was created only by the interplay of the gesture and a response, which then would have responded again by yet another

gesture and so on – creating a conversation where the meaning would continuously be negotiated and potentially transformed. Human beings have of course much more sophisticated tools for making gestures. In order to better understand the usage of language as a tool for the conversation of gestures, I will introduce the Mead's concepts of symbols.

### **3.2.1 Significant Symbols and Protosymbols**

Stacey et al. (2000, p.172) refer to Mead's theories on the usage of symbols. According to Mead, it is possible for an animal (such as a human being) to engage in the conversation of gestures without any mind involved. Odors, small movements of facial expressions, touches and so on can be done without any awareness of those gestures. As the gestures are always in a context of previous gestures it means that gestures are always also responses and thus also the responses can be done without any awareness. The mind is something that is created in the process of *calling forth the same response in the one that is making the gesture as in the one to whom it is made*. This is the only way that the maker of the gesture can be aware of the meaning of that gesture. This is what Mead calls the significant symbol (Mead, 1932, p.176). Protosymbol on the other hand is a gesture, which in relation to the response also constitutes meaning for both but does not call forth similar response in the maker as in the recipient (Stacey, 2001, p.104). Thus it is possible to have a conversation of bodies that does not involve a mind i.e. a social process of awareness.

Stacey et al. (2000) continue to elaborate what the usage of language means to the development of mind. As the language is developing it makes it possible for a person to have an inner dialogue about the potential responses that a gesture will call forth. It will then also make it possible to signal the wanted responses from the recipient in different ways. This development makes it possible for people to build really sophisticated patterns of gesture-response. This social act, the process of conversation itself is the mind. The silent inner dialogue is essentially the same process as the public conversation, for a person it is then possible to be aware and think in both the silent inner dialogue or publicly. As the significant symbols are always bodily acts calling forth the same responses from the makers as from the receivers, these conversations

always include feelings. It is not possible to have conversations without bodies and thus it is not possible to have conversations without feelings. So it is important to bear in mind that feelings are always playing a big part in conversations in organizations, even though the role of feelings is officially suppressed in a professional context.

Stacey et al. (2000) also introduce what these concepts mean in the group level. Mead used the concept of “generalized other” in order to explain the emergence of self in the context of groups. Instead of just calling forth the same response in him as in somebody in particular, the maker of the gesture calls forth in himself the imagined response of the collective group towards his gesture. This is made possible by the silent role-play that the person is capable of. This silent role-play makes it possible for him to imagine many different potential responses to the gestures and thus form an abstract collective response of the group. However, in reality there isn’t such thing as a collective “group-mind”. It is just an abstraction created in the silent inner role-play. This has important consequences to the emergence of cultural values and identity.

### **3.2.2 Reified Symbols**

Stacey (2001, p.108) introduces another type of concept called “reified symbols”. These are the abstract representations that we are able to make with our ability to use and share a language. Through the usage of language we can create complex patterns of gesture-responses that create meaning for some abstract context that can be referred to with a symbol – reified symbol. Reified symbols make it possible to include a notion of some abstract context to the gesture that we are making. These reified symbols make it possible to create complex abstract frameworks, which can be used to form specific language that is used in different communities. Without the ability to use these reified symbols it becomes impossible to participate in the communication of these communities. This can also serve as a tool for inclusion and exclusion in the daily power games of organizations.

The reified symbols make it possible to constrain and limit the possibilities for responses as they cast an abstract context to the gesture. However, Stacey (2001, p.110) points out that it is impossible to communicate only with the reified symbols – the

protosymbols and significant symbols are always part of the functioning of human bodies and social act. They are always used at the same time as the reified symbols. Different symbols are not understood as different hierarchical levels of communication (like a protosymbol being in more primal level); instead they are just different viewpoints to the conversation. This also means that the conversations have lots of variables that are outside the scope of the awareness of the persons that are taking part in it. It is possible for example that the maker of the gesture calls forth in himself a different response from that of the receiver. In effect a gesture that was intended as a significant symbol becomes a protosymbol instead, which means that the meaning is at the same time created also at this level of conversation but the participants aren't aware of this. This could turn the meaning of the conversation to very a different direction than what was anticipated by the gesturer and the recipient as well. It is also possible that symbols used in a conversation have very different and even conflicting meanings with other symbols of the same or different types. Still the meaning is formed in all these different ways at the same time. As the protosymbols are always a part of conversations it means that there are always unconscious levels of conversation present and creation of meaning taking place.

### **3.2.3 Conclusions on the symbols and the language**

The usage of different kinds of symbols in conversations points out how complex the process of conversation really is. The meaning is continuously negotiated in the context of past gestures and anticipated future – in the living present – and at the same time this is done in many different levels of awareness, between many different people and generalized others. How probable it is then, that e.g. the CEO is able to predict, i.e. call forth in himself, the responses to the gesture of some abstract vision that is negotiated with small group of people behind closed doors and which is then communicated by email, video cast or public speech to a large audience of people? In a big company it is really difficult to create a generalized other of the whole organization that would serve very realistic purposes. In fact, it is hard to do this also in daily meetings taking place between small groups of people – especially if the people attending aren't familiar with each other and discussions are filled with reified symbols that are difficult to understand even to the professionals themselves.

The act of planning is that of forming a stabilized set of anticipations of the future in the context of the known past. These anticipations, as well as the context of the past, are formed in the conversation as reified symbols. This means that the plan is filled with conversationally created reified symbols that are used to formulate another, an even more complex, reified symbol which is the plan itself. It becomes clear that in order for new people to understand the formed plan, it has to be discussed. Discussion is required in order to create an understanding of the used symbols and in this process of conversation a new meaning is continuously being created and negotiated, potentially transforming the whole meaning of the plan. Furthermore, the plan itself is originally formed in a unique context of time and history that may be very different from the one that is experienced by the people interpreting that plan.

So what we see here in this example is how the whole concept of organization is starting to take a form of complex responsive processes of relating. The communicative interaction presented here appears to be extremely complex in many levels of understanding. This is why analogies from complexity sciences are really useful in making sense of how there are possibilities for coherent patterns to emerge without any blueprint or outside observer controlling this all.

### **3.3 Limitations for predictability**

One key principle of Transformative Teleology is that the development of complex organizational processes is highly unpredictable. While the short-term development is usually fairly predictable, the long-term development isn't. Complexity sciences provide good analogies for examining why this is so. However, Stacey (2010, p. x) emphasizes the importance of avoiding "*the error of directly applying the natural sciences to human action*" and instead encourages to "*seek only analogies in the sciences of uncertainty which must be interpreted in terms of sociology and psychology*". So it is from this angle that the different analogies that can be found from the complexity sciences should be viewed.

### **3.3.1 Self-organization and emergence**

Self-organization is a widely used concept in management literature. It is used when talking about the Complex Adaptive Systems and recently also in the literature representing agile and lean development. In the popular “Scrum”-methodology the teams are said to be “self-organizing”, which in practice means that they are governed in a less authoritarian manner – they have more possibilities to decide how they do their work; how they allocate the tasks etc. However, self-organization doesn’t actually have anything to do with different management styles – it doesn’t matter if they are authoritarian or non-authoritarian, hierarchical or more democratic and so on. Self-organization simply refers to local interaction. That interaction can be any kind of interaction where the rules aren’t controlled by any individual or centralized system. Instead the rules of interaction are evolving in that very interaction. In the view of organizations as complex responsive processes of relating, the interaction is always self-organizing because people can’t be controlled by any outside observer or system as a whole. The Mead’s concept of conversations of gestures gives explanations for how the rules of interaction are evolving in the social process where minds and identities are forming.

Emergence is a concept that is closely linked to self-organization. Like the notion of self-organization, it is sometimes regarded as some kind of a force that can be used by the managers as a tool to achieve something. However, emergence is not a force that could be summoned or controlled by powerful people. It refers to the arising of patterns across a population in many, many local interactions without any prior design or plan. Those patterns can’t then be controlled by any individual. As the analogies from the complexity sciences show, even though the emerging patterns aren’t planned, they can still form coherent and meaningful behavior in the organization, leading e.g. to good products and innovations.

### **3.3.2 Chaos Theory**

Stacey et al (2000, p.86-87) introduce the explanations that chaos theory provides for systemic behavior. Chaos theory shows how particular control parameters cause it to

move towards particular state spaces that are called attractors. At some critical level of parameters between the ones that lead to chaos and the ones that lead to equilibrium there is a state called “Strange attractor”. Strange attractors (or fractals) are patterns that are very similar to each other but never repeated in exactly the same way. They can then be said to be rhythmic variations over time. A typical example of this kind of pattern is the weather, which can be seen to form somewhat predictable patterns over time but which are never repeated in exactly the same way.

The most important analogue that the chaos theory provides is the conclusion for predictability. The most popular example of this is the “butterfly effect”, which provides a metaphor of how very small variations of the initial conditions of the phenomenon can lead to very different results in the long-term. Because of the limits of human beings to see and define the initial conditions we can never be sure what the outcomes are in the long-term. Stacey et al. (2000, p.89) draws a conclusion:

Any system governed by recursively applied nonlinear laws may display behavior of the strange attractor type at certain parameter values. When it follows a strange attractor its behavior is predictable at global, macro levels of description but only in qualitative terms.

Whereas the chaos theory can't be directly applied for human beings, in the context of organizational development it provides reliable evidence of unpredictability in complex systems. It becomes clear that any complex organizational activity can move easily from stable attractors to that of strange attractors, which then means that the outcomes will be unpredictable to some extent. At global levels there can be seen a similarity of patterns, but at the micro level the behavior isn't predictable at all. An example of this would be the SW development process. The amount of errors for example can be seen to form patterns where the global number of errors is first slowly increasing at the beginning of the project and then rapidly receiving a peak as the releasing date is getting close, then the amount of errors is again decreasing rapidly towards the final date. However, the exact numbers of those errors, or where they reside in the software can't be predicted. The better predictability on the macro level is the reason why quality organizations are usually monitoring changes at the global levels of development instead of individual team levels, trying to predict and estimate the amounts of errors at some agreed release date.



The causality that is assumed in chaos theory is that of the Formative Teleology. Organization is seen as a system, which has parameters that can be manipulated by some outside observer. However, even though the causality is formative, due to human limits the manipulation of those parameters will lead to unexpected behavior in the long-term.

### **3.3.3 Dissipative systems**

Another analogy from complexity sciences is that of the dissipative structures. Stacey (2010, p.61-62) introduces the dissipative structure with an example of liquid that is being heated. When the liquid is in equilibrium, it seems to be stable at the macro level; at the micro level the movement of the molecules on the other hand is random and independent of each other. When the heat is increased, the molecules at the base stop moving randomly and start to move upwards, replacing those that are at the top, which then as a result move downwards. (This phenomenon can be easily seen in the behavior of stearin near the flame of the candle.) At this point there are movement patterns seen at the macro level and at the micro level some of the molecules are moving upwards and some downwards. When the heat is increased enough it reaches the bifurcation point, which causes a new structure to emerge in the in the liquid. This structure comes from the self-organizing processes in the liquid. The molecules are forming hexagonal cells where some of the molecules turn clockwise and others anti-clockwise. The direction is highly unpredictable as it depends on the initial conditions those cells had when they were formed. So, although the causality in dissipative systems is close to that of the chaos theory the important difference is this: In dissipative systems the unpredictability doesn't come from the limited capacity of the outside observer to control the initial conditions, instead it comes from the internal dynamics of the system.

The conclusions from the theory of dissipative systems to management theory are similar to the ones coming from the chaos theory. The behavior on the micro level can form observable patterns on the macro level. However, at the bifurcation point those patterns still have an unpredictable element in them although there can be seen elements of similarity in repeated behavior.

### 3.3.4 Complex Adaptive Systems

Complex Adaptive Systems (CAS) and CDE-model were briefly introduced in the previous section, where the current thinking of OD was studied. However, in this context I want to highlight some of the analogies the CAS provide to the predictability/unpredictability.

Stacey (2010, p.64) writes that the behavior of the complex adaptive system and that of the agents in it aren't determined by any of the agents or by the system as a whole. Instead individual agents interact according to the principles and rules that have been evolved between them. This interaction is self-organizing, which means that the agents enable and constrain the behavior of the other agents in different ways. This local interaction between the agents can cause different kinds of emergent patterns that amplify through the whole system.

Stacey (2010, p.64) introduces the human brain to be one example of CAS, where the agents would be individual neurons. Neurons can discharge electro-chemical energy based on the interaction it has with the other neurons that are connected to it. Neurons can both trigger and inhibit the firing of other neurons. The rules regulating which neurons it will trigger and which it will inhibit have been evolved in the previous interactions. As the neurons are connected to thousands of other neurons a firing of one neuron will cause triggering of thousands of neurons, which then can trigger or inhibit other neurons etc. So what happens in local interaction can lead to system-wide patterns. As the rules are continuously evolving it is impossible to predict with any accuracy what kind of patterns will evolve. On the other hand we know that in order for human beings to be able to function in meaningful ways, the neurons must nevertheless form coherent and orderly patterns.

Stacey (2010, p.65) points out another key element of CAS. System wide patterns that are produced in local interaction can form similar kind of regular irregularity as the patterns emerging in chaos. In the theory of CAS this is known as the "edge of chaos". However, in order for this kind of behavior to emerge there must be diversity amongst

the agents. This means that if the agents are all following the same kind of rules the dynamics in the edge of chaos won't emerge.

Stacey (2010, p.64) argues that human beings enable and constrain their own functions in organization in a similar manner as the agents do in CAS. The way we do it is through power games. We all have different standpoints and power relations with each other and the patterns that are forming in the organizations are the result of these enabling constraints that are happening everywhere in the organizations as a local interaction. So the key element here is the local interaction. In other words there isn't any blueprint that would define how these patterns would evolve; instead it is the result of people conversing and setting enabling constraints to each other in local situation that causes these patterns to emerge.

As the local interaction cannot be controlled by any of the individual agents or by any notion of the "system as a whole", it becomes impossible to predict what kind of patterns will emerge. Thus the behavior of an organization must always be highly unpredictable. We can see what happens in the local interaction we are participating ourselves, but we can't control even that local interaction, as it is a joint effort that has multiple agents participating at the same time. For a manager it then becomes impossible to even know what is happening anywhere else but in the local interaction that he is participating, and his power of influence can only be used in that local interaction. That can of course affect the whole system in various ways – for a powerful manager it would be possible to make gestures e.g. by sending emails or video casts to a large amount of people, but the responses for that gesture are always evoked in local interaction. Also the implementation of some leadership team meeting decisions can only happen through the local interaction of the other members in the organization. The establishment of hierarchical power levels is actually a way how the organization is usually tried to be controlled – to leverage the influence of a manager through his subordinates to the next level and so on. But as we have seen, the human beings aren't just simple rule following agents – furthermore, in the complex adaptive systems the rules evolve in the interplay of local interaction and emerging patterns.

### 3.3.5 Conclusions on the predictability

The analogies from the sciences of uncertainty, the complexity sciences, clearly point out the element of uncertainty in the complex systems. The important notion for the sciences of management is that the Transformative Teleology can be proved to exist as a real phenomenon in the world of complexity. It is in this way that the usage of analogies can be said to be valid and usable. The mathematical models and studies of CAS can't be applied to the functioning of human organizations as such, as humans can't be perceived as simple rule-following agents. As Kant noted, we have a free will that we can use to choose between different actions. However, it is easy to see analogies here to the CAS and dissipative systems where the initial conditions or diversity amongst the agents can lead to the emergence of patterns that are highly unpredictable and in some ways also predictable at the same time. This is something that is consistent with the organizational reality that we are witnessing. At some level we are able to predict what kind of possible developments will face us in the future, but at the same time we know that we can't quite exactly know in what ways the developments are emerging, what paths they are taking. We see familiar patterns emerging but they are always a bit different.

As in the complex systems, the patterns are often emerging at the macro level. The notion of micro /macro levels isn't new by all means:

This need for techniques enabling the taking of a generalized macro view from a distance in order to apply some degree of control had already been faced over a century before by tax collectors and other administrators of the business of the modern state. The approaches they took were also those of modeling, mapping and measuring. (Stacey 2010, p.41)

So it is evident that the organizational reality is such that managers, quality specialists, organizational developers and other people who are trying to control the organization feel the need to concentrate on the macro level. This is because it is easier to have a feeling of control if one sees himself as an outside observer that has a rational capability to perceive the phenomenon and design interventions to it. This kind of standpoint is established by separating the phenomenon from the observer. The tool for this is the split of causality assumptions: the observer being governed by Rationalist Causality and

the object being governed either by Efficient Causality or Formative Causality. However, that isn't really a viable ontological standpoint. The view of complex responsive processes of relating gives another standpoint to make sense of the organizational reality.

The view of managers and other people not being in control of what will happen can cause a lot of anxiety – if nobody is in control, how could anything meaningful be achieved? One of the key insights from the analogues of the CAS is that the local interaction itself can cause coherent system-wide patterns to emerge without any pre-existing design, blueprint or outside observer controlling it. The diverse human beings engaging in the daily politics of organizational life cause these patterns to emerge and no individual can control what will happen, instead the local interaction happening in many, many places in the organization form the outcomes – and at the same time the emergent global patterns form the identities of these people and thus affect the local interaction. Thus the human organizations, like the CAS, are capable of forming coherent patterns that hold the potential for both continuity and transformation. This is a really different way of understanding the human organizations compared to the way that the dominant thinking suggests.

#### **4. ANOTHER VIEW TO THE ORGANIZATIONAL DEVELOPMENT AND COACHING**

In the previous sections I have introduced the mainstream view to organizational development and coaching and the way of seeing organizations as complex responsive processes of relating. The aim of this thesis isn't to say that the mainstream thinking and practices of OD and coaching coming from that thinking would not be beneficial for the organizations. The aim is simply to point out that the underlying philosophy used is pointing to a direction that is neither logical nor consistent with the organizational reality.

Many of the practices and concepts introduced in the second chapter have proved to be beneficial and effective – at least in some contexts – and that is probably the reason why they are heavily used in organizations again and again. However, I would argue that the reason why they work is not the one which is usually given. For me the thinking of complex responsive processes of relating gives better explanations for what is really going on in the organizations. From the perspective of complex responsive processes of relating, I would suggest that the answer to the question why some of the introduced tools work is in the emergence of novel action and creativity that is caused by local interaction of conversations between the people in the organizations. In other words, organizations are emergent patterns caused by self-organizing processes, not a result of people following some pre-designed blueprint.

Different methodologies and concepts function as reified symbols that are used as tools in daily power games of conversations. The tools themselves don't have anything that "works" inherently; it is the act of using these tools that gives them life. In other words, it is possible to use these tools in many ways – some of which may be productive, destructive or meaningless. It is in the interaction that the meaning is created, in gestures demanding and shaping the responses. This means that the tools themselves aren't so important themselves; it is the creative action of creating the meaning that is the important factor, which can have paradoxically both creative and destructive consequences at the same time. In this chapter I formulate some ideas of how this way of thinking changes the way the role of the coach and leader is seen, and what the

implications of transformative causality are to the cultural change programs in the organizations.

#### **4.1 The role of the coach**

From the perspective of complex responsive processes of relating, the function of the coaching is to help the group members to see what kind of tools they have been presented by their managers and fellow workers in the context of the communities they are part of. These tools are the reified symbols that are used in the daily power politics of the organizational life. The coach can be part of the discussions and perhaps point out his views on the tools and different ways of using them in daily discussions. This enables both her and the other group members to create meaning for those concepts in different ways – both in their private dialogue and in the public. The change in conversation (inner and public) can also lead to changing of identities. The identity is the response of the generalized other and a few specific persons to the gestures of the person – a change in the meanings of socially constructed concepts can then change the imagined responses of the generalized other too. This interactive dialogue amongst the group members can then lead to the emergence of novel patterns of behavior as the interaction develops new ways of thinking and acting.

##### **4.1.1 The skills of the coach**

The skills of the coach are her ability to both relate to the other group members in the living present and the capability to use the symbols of the discussions in multiple ways. If the coach has some expertise on the specific field of working that is under discussion (the capacity to use the reified symbols), then she might already have some experience of the common ways of using these symbols in different contexts and thus possible alternative ways to use them in daily politics. This will then become part of the asset of that coach/consultant. However, as the most important asset of the coach is the capability to relate in living discussions and possibly to help to create novel ways of understanding the usage of the tools in organizational discussions, the lack of understanding of the specific reified symbols might also be of help. As the coach will be

an important participant in the discussion, this will force the other participants to let go of the reified symbols and form them again in a more common language. In this process of conversation the meanings of the reified symbols are under a negotiation, which can lead to the creation of a new meaning for them. This is the reason why it sometimes proves to be better to work with a coach that doesn't have any pre-existing knowledge of the organization and the field of work.

As the conversation is conducted in many levels of symbols at the same time, it would be an advantage for the coach to be able to notice as much of this conversation of gestures as possible. This means that the enhanced skills to be aware of the silent inner dialogue and also the different feelings in the body could serve a purpose for the coach. With a better capacity of understanding the responses in one's own body, it becomes easier to call forth similar responses in one's own body as in the body of the recipient. This leads to widened awareness as the gestures that otherwise would have become protosymbols are now significant symbols. This makes it possible to better understand the different aspects of the conversations that are taking place, which leads to increased ability to anticipate the responses that are called forth in the mutual process of sense making. This works also in the other direction – it becomes easier for the coach to understand a gesture in the way that the other person meant it. Thus the gesture that could have been missed and thus would have become a protosymbol is now recognized as a significant symbol. Enhanced abilities to relate will make it easier for both to share and develop the meaning of the conversation. The client feels that he has been “heard” and there is a sense of presence in the conversation.

Thus it becomes evident that training in practices that increase this capacity of recognizing one's own bodily feelings and patterns of inner dialogue can be very beneficial for the practice of coaching. This can explain why the practices of e.g. Neuro-Linguistic Programming (NLP) can make the coach more effective. As Tosey & Mathison (2011) write in their article, the theory of NLP gives the practitioner some tools to understand the processes through which people perceive, know and learn. Thus a person trained in NLP can better understand the different patterns that people use to call forth the responses from the others and this understanding can be used in conversations. The same is true with other practices such as yoga and mindfulness



meditation – as Williams et al. (2009, p.105, 163) point out, these practices can make a person more aware of her inner dialogue and the different bodily feelings she is experiencing.

Other areas of practice that can serve a coach well are different ways of using conversational tools. These can be developed in many different ways – by participating philosophical dialogues, reading different kinds of literature, theatre, etc. The art of dialogue can also be practiced more systematically in various professional practices. There are many professional frameworks that put the focus on the conversational relationships of the clients, such as family therapy, discursive & contextual supervision and other applications of social constructionism. I would also argue that e.g. the solution focused approach that was referred to earlier can give the coach very good conversational tools that can help people to view things from unusual viewpoints – i.e. to create different meanings for them in conversation.

From the perspective of complex responsiveness processes of relating, these conversational tools can then help the coach and thus also the other participants of the discussion to better view the conversational tools and behavior that they are using in that very meeting. This can lead to widened awareness that can change the meaning of both the earlier conversations in the organization and the future conversations. Although there can't be any recipe of how to create creative conversations (they are always paradoxically potentially creative and destructive at the same time), the widened awareness of the participants will at least give them more capacity to use significant symbols, which means that they can feel more connected and the creation of shared meaning is easier.

I would argue that whatever the different sets of coaching tools that are used, their most important function is to serve the conversation of gestures. Different models are not important themselves; it is only the conversation where the meaning is created for them. Coaching tools can of course serve many other functions too, such as reducing the anxiety of the coach and the participants, perhaps making the sessions more fun and inspiring, etc. However, from the organizational development point of view that isn't

important, as emergence of novel meaning is as likely to happen in stressful and conflicting conversations as in uplifting and polite conversations.

#### **4.2 The role of the leader**

Leaders of modern organizations often have a combined role of having managerial tasks and people related tasks. This means that while there are some managers that are dealing more with technical tasks and economics that do require co-operation with other people, but not supervisory tasks, most managers need to have a role as a leader of people. There have been more and more references in literature and consultancy of the manager as a coach or mentor, and managers of today have usually received formal training in the area of coaching. I want to touch also the role of the leader and what implications the thinking of organizations as complex responsive processes of relating has for it.

When the view of formative/rationalistic causality is rejected, this leads to many consequences to the work of the people leaders. For example the annual performance evaluation, which is a common practice in many companies, becomes a totally different meeting if the notion of supervisor designing the needed behavioral changes for the subordinate is rejected. As it is not possible to control or predict how the employee will work in the emerging future, the focus of the meeting changes. Instead of trying to “motivate” the employee towards the right tasks, the manager rather engages in a discussion with her, perhaps negotiating new viewpoints to the tools of daily politics used in the organization. However, there isn’t any way to predict how, if at all, the discussion will affect either of the participants future work performance. It is equally possible that the discussion will lead to unbeneficial consequences from the company’s perspective. For example, it might be that as the result of the conversation the employee will have better understanding of what she wants from her career. This can lead her to see more clearly how she could develop her skills on the job, but she could just as well see that the current job isn’t satisfying, which leads her to start looking for another one. The meaning of the conversation is all the time negotiated and it can change also the meaning of the past.

This doesn't mean that it isn't important for a leader to try to seek improvement in the performance levels of the teams and employees. That is part of the job description and leader-managers are held accountable for the performance. The point is just to make a distinction between an idea that the leaders could stand outside of the organization and design interventions to the organization as a system. Just like the leaders, the employees also have a mind of their own and the power relations aren't straightforward. Even though there usually are official hierarchical establishments of power relations in the organizations, the power is in the enabling constraints of the relationships. It means that the employee uses power towards the leader just like the leader uses it towards the employee and the power relation can transform quickly. Thus, despite the assumed hierarchies, the employees affect the behavior and identities of the leaders at the same time as the leader affects them.

Carlsson & Forssell (2008, p.32-33) introduce the three core roles of supervisors to be that of a leader, manager and coach. They suggest that in the role of the "manager" he focuses on how to translate the principle task of the organization to efficient processes, goals and tasks. In the role of the "leader" the job is to lead by example and create inspiring goals coming from the big vision of the organization. The role of the "coach" is said to be that of supporting the employees individually with the implementation of the mutually agreed tasks. However, this division of these roles is clearly applying a dualistic logic of a person standing outside of the organization and viewing it from different perspectives – all of which assume the possibility of an outside observer. In these roles the supervisor is utilizing rationalist teleology by exercising free will and rational logic to affect the employees and the organization. The employees on the other hand are seen as objects for intervention, thus being subjects to efficient causality or formative causality.

It is from this standpoint that the view of organization as complex responsive processes of relating is challenging. The leader-manager has lots of influence over the organization, but this happens in the local interaction where all the other people are participating too. The result is the joint effort that can't be controlled by any one of the individuals, or by some "whole". Instead the result forms in a self-organizing process where all the participants are enabling and constraining each other. In this

conversational process they are shaping the organization and at the same time being shaped by it. The suggestion for the manager, then, is to pay attention to the local interaction he is engaged in. It is in this process of daily politics that the influence is being made, and this process of daily politics affects the identity of the leader as well.

#### **4.2.1 The skills of the leader**

I would argue that the skills of the leader are then pretty much the same skills as those of the coach. Perhaps the most important difference – or emphasis – with the role of the leader is to be familiar with the dominant discourse of management theories as it is through the usage of these reified symbols that the power is used in the conversations between his colleagues. However, it would also be an important advantage to understand the limitations of that dominant way of thinking as this would lead to possibilities for using those conversational tools in different and unusual ways.

So in the end, the skills of the leader are the enhanced ability to understand the bodily responses in oneself (and so also in others) in order to use significant signals, and good experience of usage of conversational tools that can be used to better understand and affect the ways that the different conversational tools are used in the organization – and in the local interaction that the manager is engaged in. Also the enhanced ability to take the attitude of others can enable the leader-manager to make sense of what is happening in the organization.

#### **4.3 Culture in Organization**

In big organizations the concept of culture comes often to the scope of organizational development. There are usually many programs and projects that are supposed to change the culture of the organization in some ways. Thus it is important to study what implications the view of organizations as complex responsive processes of relating would present to the concept of culture.

Culture can be seen as a set of shared attitudes, values, goals, and practices that characterizes an institution, organization or group. In a sense it then can be said that it is the culture that makes the group. Culture as a term comes from a Latin word *cultura* that means, “to cultivate”. So, the culture is something that the group has in common and thus it is also something that the group members are cultivating as a means to belong to the group. In the previous section it was pointed out that the usage of reified symbols is also used as a tool for inclusion / exclusion in the groups. What is being cultivated then is the usage of those reified symbols, the language.

#### **4.3.1 Cult values and functional values**

Griffin (2002, p. 115) introduces G.H. Mead’s concept of cult values, which gives good insights of how the culture in the group is formed in practice.

The cult values represent the values we perceive and interpret to be our expected social norms. In other words we make interpretations of what other people expect to be the norm or the values we should act according to. These are idealized values that are hard to implement in practice. Mead started his philosophical investigations on this topic at the time of WWI and thus he concentrated on the negative values that made it possible for people to participate and legalize such a cruel activities - this is the reason he called those "cult values". In 1923 he made changes in his theory noticing that those “cult values” can actually be also very positive values too, such as the family values and democracy.

An example of cult values in the organizational context would be e.g. the company's values. If the value is something like "respecting the people", we then expect that when any decisions are made the respect for the people is the top-most concern in the decisions. However, in practice it is rarely possible to act according to the cult values as the social world is quite a complex net of interactions. This is the reason Mead introduced another concept called the "functional values".

Functional values represent the values we implement in practice. They are often in conflict with idealized cult values, as we have to make compromises in the conflicting

pressures of worldly life. In our previous example this could mean that even though we do want to e.g. "respect people", we also have to take into account the business impacts of the decisions for the stock markets. In practice this might mean that the decisions are made in ways that show total disrespect for people (like giving a notice of losing one's job three days before Christmas).

It is really hard to find ways to fulfill the "cult values" in the daily life of the "functional values". This is because the paradox between the universal idealized values and the local interaction in a specific situation that it is supposed to be applied in creates conflicts. The paradox means that there actually isn't any way to solve the dilemma with a logical thought. Thus the only option to deal with it is to make decisions based on the local interaction, which often is in big contrast to the idealized cult value.

### **4.3.2 Groups**

When talking about culture it always involves a group of people – the identity of a person can only be created in a social process (including also the inner dialogue) and it is through this identity that the notion of culture is also formed and seen. A group can be seen as a collection of people who are tied together by some commonalities that are firm enough to tolerate some differences amongst the group members. Commonalities can be things like ethnicity, country, interests, sex, values, goals, physical traits, language, location, company, authorities/subordinates, history together, etc. One interesting thing is that all the commonalities are differences as well – people can have same or different language, same or different ethnicity, etc. In fact, in order for something to be in common, it has to be in relation to something that is not in common – otherwise it wouldn't even be noticed.

The commonalities themselves aren't relevant as a means for defining the group. What is relevant is the perceived attitude towards these commonalities. If a group member has e.g. resistance towards authorities, she might be seen as an outsider even though she has the same authorities as the other group members. On the other hand, groups can form solely on a basis of attitude towards authorities, regardless of the identity of those authorities – people might find common interests in resistance towards all authorities or

towards some social class, even though the authorities themselves are different for different group members. So what we see here is the phenomenon of inclusion/exclusion happening with the usage of the cult values. If people are seen to behave and think according to the cult values they are included in the group and vice versa. An important thing to notice here is that it is also the case in the inner dialogue – if a person doesn't see he belonging to the group he will exclude himself. This is possible because of the potential of humans to call forth in themselves the response of the generalized other towards them. This is also a self-sustaining phenomenon as the people willing to belong to the group are sustaining the values and thus their identity in order to be included.

Groups can form and decline dynamically depending on the context. If people are talking about sports events, the discussions might gather together people that aren't otherwise united; their only common interest is their interest towards sports - when the discussion is over people move on to some other groups. As there are always commonalities and differences present, the context plays a big part in how the groups are formed. People might tolerate more differences such as language and location, if they have a common goal to work towards. But what is important to notice here is that the "common goal" is also a cult value. It is a socially constructed view of what is seen as acceptable and desired behavior. In practice, however, a common goal is really hard to establish. It has to be made in an idealized manner which causes conflicts in the practical implementation of it in the specific situations. So here too we can see that the cult value of an idealized goal has to be translated to a functional value in local interaction – which is bound to create conflicts.

As culture is defined as a set of shared attitudes, values, goals, etc., it is easy to see that the forming of groups will necessarily happen in conversations as it is there that also the cult values are negotiated. People are included or excluded in the social process where their identities are constantly being formed. These identities also include the attitude towards the shared attitudes of the other people that the person perceives. It is then possible that the person includes herself in the group by adapting to the shared language that is used – namely the usage of the reified symbols. Even if the person isn't capable of doing this right away, she can show her willingness to do that, which might grant her

to be included in the group. In other words she is negotiating her identity to become such that the response of the generalized other is forming the meaning of inclusion towards her.

It has to be noted too, that the local interaction between the members of the group shapes their identities and thus affects also the culture – the cult values. So in the end the culture is continuously being shaped at the same time as it shapes the identities of the group members. This means that the group always holds the potential for both continuity and transformation of its culture.

### **4.3.3 Can culture be changed?**

There are lots of examples of how the culture changes, both in wider perspectives as in smaller ones. Some of the most recent changes in globalization have already made huge changes in the culture of big populations in western countries as well as in the east. And it seems that the developing countries are to be taking part in it, too. We can see the change of culture in our personal lives too – we change as persons, our families change, societies we are involved with change, etc. So there are plenty of examples showing that change is possible.

A more interesting question is whether the change can be orchestrated? Is it possible to have a group of designers that develop a model of culture that would be beneficial for the company and which they then could implement in practice by choosing right persons to right jobs, educating people to have the right set of attitudes, values, beliefs and other factors that contribute to the overall culture. Is it possible to achieve? Whether or not it is possible, we can see in the everyday life of organizations that it is what the companies are trying to do with the big and smaller organizational changes and transformation projects. Sometimes it at least seems to pay off. But whether it was really the organization that was changed, and whether the result was in actual fact the goal of the change is rarely questioned.

When we take a closer look at what has happened, we can usually see that what was actually changed was a set of objectives, job titles and hierarchical presentations of the



organization. In practice the change included some firing and hiring, promotions and degradations and lots of discussions between all the people that the change touched somehow, where their identities were being negotiated and potentially transformed somehow. If there were enough factors to affect the patterns of conversations on some of the groups, some cultural changes surely happened, but it is very likely that the direction of those changes were highly unpredictable. Furthermore, the organizational change can't really be measured in any way in practice. As the discussion in this chapter shows, it is the self-organizing local interaction between the people that forms the emergent patterns in the global level, and this local interaction is affected by the identities of the people. Thus the identities are at the same time forming the culture and being formed by it – How could that be measured?

#### **4.3.4 The Problem of Culture in Organizational Change**

As it has been pointed out in the previous sections of this thesis, corporation leaders tend to see organizations as systems that are put up as a means to achieve goals or strategies. If there have been big changes in the company goals, organizational change is launched to reflect those changes. What is lacking from that kind of thinking is the understanding of the nature of groups – they are conversational patterns creating a culture and at the same time being formed by that culture. Thus it is impossible or at least very hard to implement the organizational change that is desired – or even know what kind of change is desired. People can be fired and hired, job positions can be opened and closed, objectives can be given and taken, but the organization itself can't be built because the organization is the culture – the local interaction taking place in many, many places between interdependent people.

Big companies have understood the value of common visions, values and attitudes, but the fundamental understanding of what those values actually are is missing. Leaders e.g. encourage their subordinates to conduct value workshops, where the company values are discussed and sometimes even changed to reflect the views of the employees. This is valuable to the development of group dynamics as it gives the people chances to perceive and construct the meaning for those values in local interaction. This enables them to see the dominant patterns of language by which they can build a “generalized

other” and thus understand the “cult values”. They can then adopt and change their usage of language so that they might better “belong” to the group – or exclude themselves from it. However, this doesn’t mean that the culture is forming towards the original goal of the managers who designed that organizational change.

Within organizational change, it is possible to establish some cult values that people can use as tools in the daily politics of organizational life. Such values might include objectives, common bonus targets, shared authorities and things like that. However, the important thing to understand is that groups themselves aren’t formed around the designed company objectives. For groups to form, the important things are the locally negotiated meanings and values, not the official company goals (that are also locally designed values between the executives). What are forming then are many, many local interactions in different parts of the organization where the different meanings and values are created and it is the interplay of all these patterns that create the emergent patterns in the global level. This emergent pattern isn’t a product of any of the individuals or the groups, but is forming in the self-organizing “joint effort” that is not controlled by any individual.

Even if it would be possible to create a powerful set of cult values that could easily be functionalized across the specific local situations around the company (and it has been previously shown why this isn’t possible in the real world), it isn’t something that is consciously been tried. Leaders tend to believe that it is enough to tell people what their goals are (i.e. establish a cult value of desired goals) and then the organization as a system will do whatever necessary to reach those goals. Even if this would be the case with individual employees, it isn’t the case with groups. Groups are almost agnostic of the goals; they just form in the conversations between interdependent people where the “goals” are just one of the reified symbols that are used as conversational tools in the daily power games. If the people in the groups know how to contribute to the common goals, and they have opportunities to do so, they probably will contribute to those goals. However, the group can’t be optimized to do so. If anything, it will be optimized towards its culture, which it also shapes as well as is being shaped by at the same time.

In practice organizational changes don't have a lot of impact on the culture of organization, as seen in the dominant thinking. The biggest impact is the change itself – people engage in the negotiations of inclusion/exclusion in order to belong to the groups. This might mean that people continue to keep in touch with the people of the “old” organization more than with the “new” one, because changing the co-operational patterns always means the changing of the identities too. As the identities are formed in a social process, they hold the potential for both continuity and transformation. Thus it can't be predicted whether the patterns of co-operation are changing or not. Negotiations of the purposes for reorganization might also come to mean that some people try to adapt to continuous changes by distancing themselves of the groups they should be working with, or by specializing in tasks that are independent of the organizational structures.

This view of cultural changes in an organization suggests that changes actually can't be designed. The culture is constantly changing as the people are constantly engaging in conversations where their identities are changing. What is happening in organizational changes are complex responsive processes of relating, where power relations and identities are being negotiated. The changes are filled with many different intentions, some of which are very selfish and targeting to success at the expense of others and some are altruistic showing personal sacrifices in order to benefit others. But the point is that what emerges in the global level can't be controlled or designed by any individual – it is a joint effort of a big group of people.

## **5. CASE STUDY – CULTURAL TRANSFORMATION PROJECT IN A LARGE COMPANY**

The purpose of this case study is to provide a narrative analysis that can be used as an example to study the different ways of thinking introduced in the previous sections of this thesis. My goal here is not to provide a “scientific” analysis of the situation from the perspective of an outside observer – as the thinking of complex responsive processes of relating shows that would not even be possible. Instead I am making the analysis from my own subjective viewpoints. There are other viewpoints to the situations and as Mead’s theory of “conversation of gestures” suggests, the meanings of these developments are continuously being shaped both in the silent inner conversation and in the public one. I have also done the writing of the narrative in an iterative way, having rounds of discussions with several people and based on the changed meanings emerging in those discussions, done re-writing to the narrative.

There are two specific goals that I try to achieve: Firstly, with this narrative I will show the mainstream thinking underlying many of the decisions and gestures happening in the various events. Secondly, I will show how this organizational reality is better explained with the view of organization as complex responsive processes of relating. To achieve these goals, I will use an approach of role-playing that is made possible by taking the language used in the different frameworks of thinking. I do this by first presenting the narrative in a regular language that I would use at the lunch table with my colleagues. Then I will provide reflections on that narrative from two perspectives: First I interpret the situations and happenings of the narrative in a way that a person educated in “scientific management” would have interpreted it. Then I adopt the perspective of complex responsive processes of relating and do the interpretation with the language that it provides. By doing this I will try to show how different the interpretation of the situations and happenings can be with these different ways of thinking.

As the conversations of gestures always involve the daily politics of organizational life which include also rather strong feelings, biased viewpoints, power relations, etc., I won’t use the names of the personnel or the projects involved. It is the patterns of

thinking that are emerging in this complex network of situations that I hold valuable for the purposes of this thesis, not the personalities of the individuals involved. It has to be also noted that this narrative is rather short and thus focuses on just a few specific events that I have selected in order to make some observations on. In the real life there would have been lots of other events too, which would have presented the person in a different light.

## **5.1 Agile Transformation Project**

The first development of the organizational change project was the establishment of Agile Transformation project. A senior manager who was responsible for the leading of the OD organization called me. He asked me whether I would be interested in leading an agile transformation project in an organization of roughly 2000 people. The decision to put up this kind of project had already been made by the upper management (who had been informed of the initial results of a study made by an external consultant company about the organization), and the next question was who to nominate as a lead for it. My current job was to act as a coach in a smaller part of that same organization, consisting of about 200 people and thus the job was in practice the leveraging of current responsibilities to a wider organization. For me this was then a clear move forward in my career, and while I was a little worried about both the daily politics of the upper management and the realism behind these kinds of large transformation projects, I said yes. If not else, it would be an interesting learning experience.

### **5.1.1 Starting the project**

The first thing was to start building a structure for the project. The main goal was to change the working methodologies of the teams from the traditional project management lead way of working to that of the agile development with Scrum methodology, which is currently one of the most popular methods in the SW development business as well as leveraging this methodology to the managerial levels of work. I was familiar with what this change meant in the team level, as I had been doing similar kind of changes few years already in my own organization. There were

already a few managerial persons nominated to the steering group of this transformation project so my job was to establish an expert team that would do the actual implementation work of the project.

I used my existing networks to find people that were both willing and able to participate in the project – and of course familiar with the agile methodologies, too. In order to leverage the project across the whole organization it was seen important to find people from all different sites and sub-organizations on those sites. As the agile transformation was seen as a hot topic, also some other sub-units from an even wider organization of 15000 people wanted to participate in the project. However, the idea was that the other sub-units wouldn't officially be a part of the project, but were attending more as observers.

It was rather easy to establish a team of about 10 people who would form the core expert team of this project. However, there were already some conflicting interests present. One person was leading a somewhat similar project in a wider organization and he expressed his concern of how the focus of the management might now turn to this new project leaving the interest and support for his project to decline – he said that this would easily happen to the project I was nominated to lead as well, if we did not do something about this. He then continued to express his dissatisfaction with the current setup and said that it would be important that these projects were combined; in his view my project was actually a sub-project of his (although I really felt it was more the other way around). Although it wasn't explicitly said, I also got the impression that he thought he should take the lead of the combined projects. I had been somewhat reluctant to take the lead of the project in the first place so I supported his view of combining the projects – for me it would have been ok to get away from the focus of the daily politics and just become a single contributor for the project. This suggestion of combining the projects was then formulated between us (and a third person) as a plan that was presented to the upper management. In the formulation we expressed our concern that the interdependencies between the sub-entities would prevent the organizational transformation if the efforts were not be escalated to the higher-level organization (that of the 15000 people). In order for that escalation to happen also these two projects should be combined so that all the efforts could be focused on common goals.

## **Reflections**

*From the beginning, the mainstream thinking of having a designer to form the mechanisms for transformation is evident. There are discussions on the leadership team level, which are then transformed as decisions to make a change to the current way of working. This change is launched by starting a project, which has a nominated leader that can do the further planning and implementation of that project. In order to stay aware of the status of the initiative, a steering group is formed who makes sure that the needed metrics and reporting processes are in place. Furthermore, the steering group makes sure that the thinking and plans are the correct ones - if they aren't, the steering group can then "steer" the project to the right direction.*

*The same approach is then quickly escalated down the hierarchy. I was establishing an expert team that would do the further thinking and design needed to make this transformation project possible. The whole idea of whether that kind of transformation is possible wasn't questioned by anybody, even though I did think about it. The decision was made by the upper management so then the next step is just to implement that decision. I had previous experience that these kinds of changes had happened in some of the teams so apparently it was possible in larger scale too. However, the mechanism of how those changes did actually happen earlier wasn't really studied or thought about. It was taken for granted, by me and the others that they were a result of rational choices made by the people in the teams with the help of the coach and management.*

## **Complex responsive processes of relating perspective**

*From the complex responsive processes of relating point of view, this isn't exactly what was happening here. Actually what we see happening here are conversations of gestures in many places. The upper management team was having discussions between themselves and one of the conversational tools they used was the study made by the consultants. It enabled them to make an idealization that there was some more optimal way of doing the work in the organization. This view was constructed in the discussions*

*that they had amongst themselves and with the consultants. This reified symbol of “agile way of working” was then used as a cult value, a purpose that needed to be fulfilled. This cult value was then applied in the further communications that involved me. I had been part of the movement that was advocating these new ways of working in the organization and so I had actually already participated in the social process of formulating this idealized cult value. For me it also was an act of inclusion to the sphere of upper management, although I wasn't quite sure whether I wanted to be included there or not. My identity wasn't clear within that group. What I was then doing as a response for this gesture was to accept the act of inclusion by supporting the used language and dominant way of thinking and by acting the same way as the others - by selecting people that shared the common language and cult value of “agile way of working” and making a gesture that was calling forth a response of inclusion from them.*

*What then happened with one of the selected persons was interesting. The meaning of my gesture of inclusion was transferred as an act of questioning the project that I was supposed to be building. For that person this act of inclusion was also an act of exclusion. By accepting the new project he risked the existence of his former project. These conflicting views on the meaning of these projects led to a surprising turn in the further development of the conversational patterns. We were now engaging in conversations that would make it possible for that person to be included in the new project without being at the same time excluded in the context of his former project. This discussion was of course also very emotional and thus I picked up gestures that I interpreted to mean that the other person wanted to be in charge of both projects. It is impossible to know for sure whether this was a significant symbol - meaning that the person was calling forth similar kind of interpretation to it in himself, or whether that was a protosymbol - meaning that the person didn't intend to call forth that kind of interpretation in me, but it was actually either misinterpreted by me, or it was an unconscious gesture from him.*

*From the organizational development point of view, what was happening here wasn't a rationalistic design and implementation of project kick-off. Instead the events were heavily influenced by human emotions, power games and views of inclusion and*



*exclusion. A language that was consistent with the dominant discourse rationalized the development of the project towards the larger organization, but the actual events that lead to this development were complex events happening in local interaction between the people involved. It was a social process where people were negotiating their identities which was the root of this development, and rational arguments were formed to support this process, not vice versa.*

### **5.1.2 Starting the implementation work**

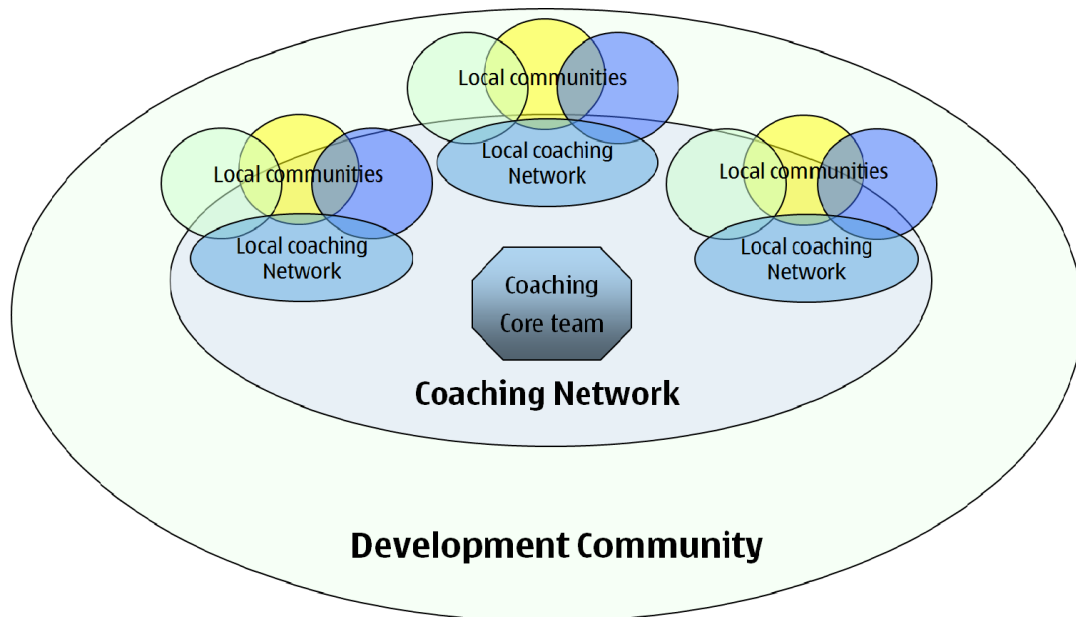
For me, the basic idea behind the whole implementation work of the transformation was to have conversations between the core group and on the basis of those conversations to formulate a written manual of processes and concepts of “agile way of working” that could be shared with the teams. We first tried to do the work in face-to-face meetings in the different sites we resided at, but travel restrictions made this hard to be realized and so we ended up having lots of teleconferences. The work was quite interesting and we had lots of discussions on the different topics we touched. What was revealing for me was that we actually had quite different views to many of the concepts, although in literature those are usually presented as quite straightforward and in unified ways. In practice we then also had conflicting views on some of the concepts as well as on the way those documents should be shared with the teams.

At this point the resolution to the conflict was quite easy; as a leader I was given the authority to make a decision in the case of a conflict. However, I tried to find a consensus on most of the topics as my training as a coach had proved this to be a good way to maintain a good motivational level in the work. Most of the conflicting views, where a clear consensus couldn't be established came from the people representing a different sub-unit (and a different culture also, as I began to realize). As the official project concerned only my own sub-unit we agreed to formulate the documents and the implementation plan according to the preferences of my own sub-unit. I had an explicit guidance from the sub-unit head that the co-operation between the other sub-units should not delay the schedules of our own sub-unit. Based on this notion I had the highest vote in the case of conflicts and nobody questioned it. The other sub-units could

then modify the implementation plan and documents according to their own preferences.

The implementation plan I had formulated was as follows: We would make the documents in an iterative way, so that the teams would have opportunities to comment on the documents and we would then use that feedback to improve the documents. The reason for doing this was three-fold: Firstly, it would enable the teams to engage in discussions of what the meaning was behind all these processes and concepts, which I thought would improve the chances that they are understood the same way. Secondly, it could give the core team opportunities to learn from the feedback, which also meant that we didn't have to "get it right" from the beginning but instead had a process of updating the documents when necessary. The third reason was that I thought that the teams might have been more motivated to actually take the suggested concepts in use if they understood them and were able to affect them – thus making the concepts more viable for their specific situations. In my view, this approach would have increased the probability of a real change happening in the ways of working.

The second part of the implementation plan was to develop a global network of coaches that could then do hands-on coaching in the respective sites they were located in (and the ones close by). We would select and train coaches in common sessions where there would also be possibilities for networking and discussions. On top of that each of these selected coaches could spend 5000 Euros to further co-operation with selected consultancy companies. The idea was that all these coaches would then establish local coaching networks and thus leverage the discussions and trainings of the coaches to the different communities at the sites. They would also take part in discussions with other coaches and the core team, as well as with other related communities inside the company. This would ensure that there would be enough of diversity in the discussions. The rough idea is presented in picture 2.



Picture 2. Planned way of leveraging the coaching.

Before making any major changes to the project, we organized one 3-day training event for the coaches, with about 50 participants from around the world and there were initial efforts launched to establish local coaching communities in 13 sites around the world. On top of that we started the development of 3 different documents: one document including the basic agile practices that we recommended to be used in all the teams, another document including the basic managerial practices that should be used when working with agile teams, and one document especially required by the upper management that described the quality criteria for the SW development teams. Before making any major shifts to the project and the approach, we were able to release the first iteration of the quality criteria and go through it with the local coaching communities. Thus we also started to make the second iteration of that document.

### ***Reflections***

*The implementation work was started in a way which emphasized the conversational aspects of the organizational transformation. It was seen beneficial to have lots of discussion on the different topics of the documents and there was a sense of trying to build a consensus. Everything was done smoothly and conflicts were avoided. Also the SW teams were included in the plans as participators in the development of the*

*documents, so that a common understanding could be created and conflicting views towards the documents would be minimized. Also the leveraging of the coaching was designed to be done in ways that would empower people to participate and keep the focus on the local communications, seeking to get diversity of opinions from the wider networks. All was done in conversational manner and the meaning of the documents is more on the discussions they enable than the actual words written in them.*

*This approach has many elements that are commonly used in the context of solution focused coaching. People are seen as conversational individuals that make their own choices - if they are given possibilities to participate on the decisions concerning them they feel empowered and are more motivated to change their behavior. Conflicts are avoided instead of seeking a consensus that would create feelings of equality and respect towards each other. This view takes for granted that there are always possibilities to find a better way of working, if the focus is just maintained on the things that work already and if a positive atmosphere is maintained. In this view, maintaining the agency of the individuals will make them work in rationalistic way, utilizing their free-will for the common good.*

### ***Complex responsive processes of relating perspective***

*Complex responsive processes of relating point to the unpredictability and arising of patterns across the population in many, many local interactions, where identities are formed. Thus what is seen described here is just an idealized picture of people acting in predictable ways and thus reaching higher states of working and being, which is a viewpoint based on the notion of formative causality. If the coach and the people just maintain a positive mood and reach for the consensus, the idealized goal will get closer and closer. What is seen here then is a cult value developed in social processes and formulated as a “solution focused” design for the transformation.*

*The description of the document creation process points to an emergence of many different power relations. The acts and decisions of the sub-unit head are formulated as a social object, a reified symbol that is then used as a conversational tool in the negotiation of power relations. This reified symbol is used as a justification why one*

*person amongst the whole expert team is granted the permission of highest vote. The notion of different sub-units is also used as a reified symbol, a justification of why some people in the expert team might have more power than the others. Although there is the notion of striving for consensus, and the atmosphere of equality amongst different layers, that does not happen in reality. In the local interaction there can be seen clear power relations that tilt towards the people belonging to the sub-unit that is responsible for the project. Social acts build identities where I, as a project leader, am seen as the representative of the upper management and I'm then utilizing that powerful new identity. The notion of sub-units are used as an excuse to make it perfectly acceptable to have these unequal power relations and still maintain the feeling of inclusion and expert-status for all of the members.*

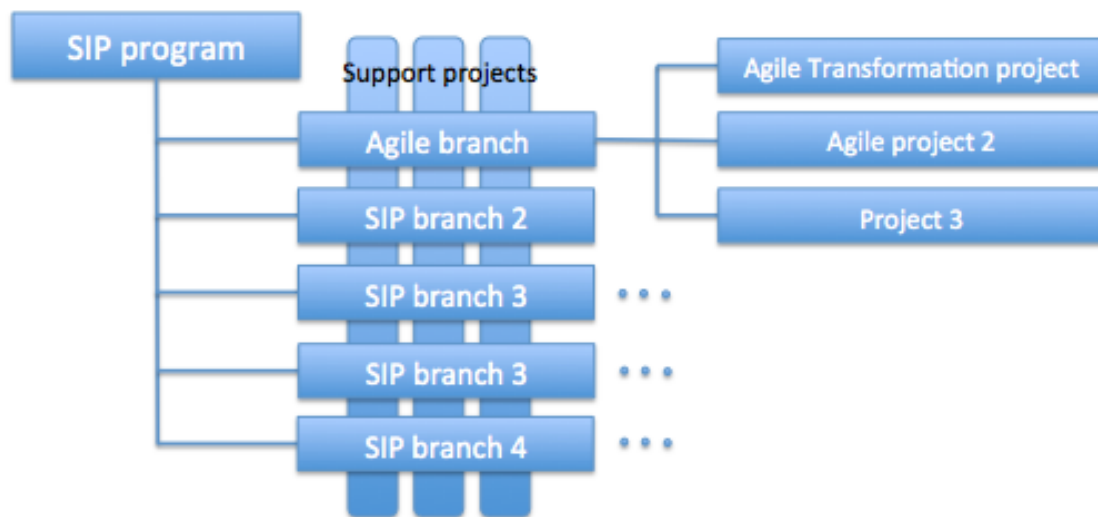
*From the point of view of complex responsive processes of relating, the whole plan is based on the forming of special identities, those of the coaches. The selection process is done by powerful gestures of inclusion, which include monetary budgets for the co-operation with selected consultants (another gesture for inclusion). Thus, even if the cult value of equality and empowerment for all the personnel is tried to be followed, it is actually done by lifting the power relation of those selected people as compared to the other employees. The pattern is exactly the same as the one that the leadership team used and how the expert team was established - by making gestures of inclusion that hold the potential for the change of identity and power.*

*From the perspective of organizational development, what happens here, once again points to the emergence of patterns coming from local interaction. Instead of following a pre-designed blueprint of how to make an organizational change, people are heavily engaged in power games. The development of these power games in local interaction affects the end-results a lot. The formed documents could have been very different if the power relations had been changed. It is also important to note that power relations were negotiated in local interaction. Although there was some guidance given from the upper management, the people in the discussions were the one's who used that guidance as a conversational tool. They were the one's who accepted it as a viable tool even though they could have negotiated a different meaning to it – there weren't any upper managers observing those discussions.*

## 5.2 Software Improvement Program

About three months after the start of the Agile Transformation project, a major change was introduced to the project scope. An external consultancy company had been ordered to make an analysis of our SW organization. The first iteration of the analysis was made for the sub-unit I was working on and later an analysis was made for the bigger organization of 15000 people. When the results of the first iteration were released, a major change activity was triggered at the bigger organization level too, as it was expected that the same results would be found also from the other sub-units.

This development resulted in the start of a Software Improvement Program (SIP) that was to include five different working branches to tackle the findings of the analysis. One of the branches was the Agile branch, which consisted of three different sub-projects, one of them being the Agile Transformation project, one being the other agile project my colleague was leading and a third one that was only loosely related to these two. There were also some “vertical” support projects that were supposed to work across all the branches (picture 3).



Picture 3. The organizational structure of the SIP program.

### **5.2.1 The Software Improvement Program kick-off**

The kick-off for the SIP was held in a typical big conference venue in the capital area. All participants were first invited to a big hall and then later on they would be spread to smaller groups according to the branches they worked for on the second day. It felt like a privilege to be invited to this event as at the time there were strict travel orders applied in the company. There were many participants who came from all over the world, and a very high-level manager was also present as a sponsor for the whole initiative.

However, after the starting speech I was somewhat disappointed to find out that the structure of the kick-off was made in a very typical and hierarchical manner, which was effectively preventing most of the discussions between the people in the hall. The structure was simply such that there were time-slots reserved for each of the branch leaders and at the end of those slots there were something like 10 minutes reserved for questions. I had been expecting a better usage for this opportunity for face-to-face meeting between all these people, especially as there were the strict travel restrictions preventing future meetings, but that opportunity appeared to be missed by the organizers.

During the presentations there were not much discussion. The branch leaders just introduced themselves and the initial plans that they had formulated for their branches. In those presentations there seemed to be no efforts to make clear how all of these branches were supposed to work together and create something as a joint effort. I remember that there was some heated discussion when the lead of the quality branch was presenting his slides. It appeared that many people were strongly opposing the view that quality could be improved by metrics – their own experience was that metrics just seemed to make things worse and lead to anything but quality improvements. Another discussion was after the HR representative presented the apparent need for cultural change inside the company. How could we bring about cultural change? Should we do this by forcing people to behave in some specific way or by showing our own example of how to behave or what? It seemed to be a major task and I sensed that the people felt powerless against that. I remember suggesting that perhaps we should talk about what we meant by culture in the first place, but I didn't get any responses. The HR

representative just suggested that we can't change others but we can change ourselves. I felt it was quite an inadequate suggestion; I have never had much success with the attempts to change myself. And even if I had, what kind of person should I be anyway? Would I even want to be such a person who would be seen beneficial for the purposes of the company? Or am I such a person already? Furthermore, even if I could change myself, how would that lead to the change of the others?

After a set of boring power point presentations the SIP leader gave the closing speech, after which we were supposed to be separated to our own branches and then continue the planning in separate rooms. I was struck by that closing speech. The leader acted in a very aggressive and bullying manner. He showed some pictures from his former job in some metal melting factory where people were working in mortal danger of burning in the fire. He made points about how we weren't in a physical danger, as he had been while working in that factory, but we were in danger of losing our jobs if we wouldn't implement the transformation in a really short timeframe. He said that we didn't have time for discussions anymore; the competition was already beating us. He said that the previous discussions we had during the day were "pissing contests", and then he asked all the women to stand up and said that they weren't attending pissing contests – apparently because they were women. Then he told all of the nominated branch leaders to stand up and said that if there was somebody who would not co-operate with the branch leader he had nominated for him, that person should stand up and walk away from the room and see what happens then. Nobody walked away. However, I at least had considered that, as that whole performance made me really angry. It was also said explicitly that there had been enough of talking – from now on the discussions should be ended and instead we should focus on the delivery.

In separate rooms we then continued the planning of the branches. The first thing we did in our branch was an introduction round. During my own introduction I wanted to present an analysis of what I interpreted happening in the previous meeting. It seemed to me that the purpose of the SIP leader was to establish an authoritarian atmosphere of fear where people would stop asking questions and just do what they were being told, so I suggested that it was exactly the opposite that we should actually start doing. In my opinion we should start discussions about these things with all the other branches and



try to make sense of what it is that we should be doing – as for me it didn't seem to be clear at all. We then had short discussion about that and some of us agreed and others didn't. From the discussions I got the impression that the SIP leader had already been scaring the branch leaders beforehand as it seemed that at least our branch leader lived in the belief that his whole career depended on the rapid execution of this initiative.

From the beginning of the program, it appeared to me that the assigned branch leader didn't have much understanding of the whole topic of “agile ways of working”; instead the reason for his nomination was that he had worked with the SIP leader earlier and was trusted by him to be an efficient manager – probably their shared nationality was also affecting this. In fact, it became clear that the branch leader wasn't even interested in learning about the “agile way of working”. I suggested a meeting with him to explain my view on how the Agile Transformation project was proceeding and what I thought should be done in the future, but he refused to meet me saying that he was too busy for having “nice philosophical chats”. For him it seemed to be more important to be in control of the task list and report the status to the SIP leader within the various meetings that the branch leaders attended.

### ***Reflections***

*The start of the SIP was fully consistent with the mainstream thinking and was organized in the usual way. First there was a "scientific" study conducted by an external consultant company, which then triggered change programs to be started. Once again, first there were decisions of what kind of program is needed based on the study, which then followed with the nomination of the leaders. Existing projects were pulled under the umbrella of the new project and a new steering group structure was established to control and coordinate the work. The kick-off was organized in a clearly structured way, dividing the work to the branches and emphasizing the decision power of the nominated leaders and the overall authority of the program leader. It was also made very clear how important the whole program was by using not only rational arguments but also by emotional associations to the danger of losing one's job. It was also made clear that all the decisions were already made, so there wasn't any room for questioning the ways of working. Instead we were now moving towards a rapid*

*implementation phase, where not only the processes and practices but also the whole culture of the organization was to be changed.*

### ***Complex responsive processes of relating perspective***

*From the point of view of complex responsive processes of relating, what was seen in the beginning of the project was the conversational nature of organizational work. The results of the study weren't a surprise for anybody, in fact the findings were already known in the organization as the study was done with the methods of interviews and surveys. The initiation of the Agile Transformation project was already made earlier as a proactive act to start the needed work already. So the study was once again used here as a conversational tool. There were lots of discussions going on in different parts of the organization, and it was already suggested by us that the Agile Transformation project should be combined with the other agile project and escalated to the higher level. Probably there had been other discussions relating to the other branches also. So the decision to start SIP wasn't actually based on the study, in fact it can be argued that the study was conducted in order to have a good justification for the start of the change program. There were different power games going on in the organization and SIP program was then formulated as a reified symbol that could be used as a tool in those power relations.*

*The way that the kick-off was conducted showed that the concern of the SIP managers wasn't so much to create new meanings and find out different, creative viewpoints to the problems. Instead what was being done was to establish firm power relations, where the power was tilted towards the SIP manager and the branch managers and away from the other members of these branches. The structured way of the presentations made sure that the possibilities for talking were mainly given to nominated managers. Also the division to separated rooms made sure that discussions wouldn't be done across branches, instead all the cross-branch discussions were done between the branch leaders. This tilting of power relations was done by the ways of inclusion and exclusion. There were attempts to establish a cult value of "implementing the transformation without asking questions is good" by referring to the discussions as "pissing contests" and explicitly ordering people to not discuss but just do the work. This cult value was*

*also used when I wanted to have a meeting with the Agile branch leader. As I wasn't behaving accordingly, I was being excluded.*

*However, the meanings of the gestures are created in the social process and thus they can't be controlled even by powerful managers. The bullying gesture of the SIP leader probably caused some people to respond by following the orders without questioning, which then created the meaning of submission - an establishment of an authoritarian power relation. But there were also other responses. For example, I responded by starting a discussion with my branch members about the meaning of that bullying gesture and suggested that the SIP leader was wrong with his suggestions. The meaning of this gesture then turned into a fight - I questioned the authority of the leader. The branch leader then responded to my gesture in the future discussions by refusing to meet me in private (exclusion) which then transformed the meaning of my gesture to mean that I was a difficult person and should obey the orders instead of trying to negotiate them.*

*There were also lots of feelings involved within the discussions and they were also used purposely as tools in conversations. It is important to notice this, as there are always conversations of gestures happening in the means of significant symbols, reified symbols and protosymbols. The aggressive behavior of the SIP leader called forth aggression on me too, thus if it was the intention of that leader, it was a significant symbol. However, the meaning of that aggression couldn't be controlled by the leader – it could have led to fear and thus submission or it could have led to something else, in my case it raised anger and thus it meant “fight”.*

*From the organizational development point of view, the kick-off and the establishment of the power relations didn't really help to make the wanted changes in the company culture. There were discussions about how the teams should take more responsibility of the quality and outcomes of their implementation work, but the way the SIP program was started emphasized the need for following orders without thinking. This meant that if anything, this approach took the responsibility away from the teams. The leaders were seen as the rational thinkers that were designing the changes and the employees were seen as resources that should just implement those pre-thought changes. However,*

*as it was pointed out, the leaders couldn't really control even the meaning of their own gestures, but they were instead interpreted in the local interactions.*

*The need for changing the culture was also presented in the kick-off. There was not much discussion on what that actually would mean, but it seemed that something like that would need to happen in order for the program to succeed. From the complex responsive processes point of view, the cultural change would be a change in the identities of the employees – in practice that would mean changes in shared cult values and thus in the conversational tools used in the organization. The actual behavioral changes would then be seen as the functional values. The suggestion of the HR person that we should change ourselves could have meant that we would have formulated our own interpretation of the needed behavior in the company (the cult values) and by acting accordingly (functional values) we would have negotiated somewhat similar changes in the local interactions we would be engaged with in the future. However, as the SIP program was lead in very conservative manner, if anything, it was sustaining the very culture that it was supposed to be changing. Arguably the program also created some resistance towards the way it was lead, which actually lead to some contrary behaviors too – thus the paradox of simultaneous potential for transformation and continuity was clearly visible also in this example.*

### **5.2.2 Implementation work in the Software Improvement Program**

What then happened in the Agile Transformation project that I was leading, was that some of the people that I had recruited to my core team were excluded from the Agile branch. The same happened also with the other agile project that my colleague was leading. The new manager wanted to make the team smaller and so he selected only those people that he thought were necessary. There weren't supposed to be many changes to the leadership positions or functioning of the previous projects, otherwise but they should all now make status reports to the new leader. The new leader then attended the meetings of the steering groups where all the other branch leaders were also present. There weren't any official actions to co-operate with the other branches as it was seen more important to work with the branches' own backlogs.

Although in the discussions it was planned that there wouldn't be much change to the work of the existing sub-projects, in practice there were big changes. One thing was that all the sub-units were now made equal in the projects as it concerned them all. This caused the previous arrangements we had made to change. Now everything should be consistent all over sub-units without any local adaptations. Also the way we had previously planned the implementation of the project was to be changed. Now we had to make the documents as standards that should be approved by the SIP steering group instead of the teams that were using those documents. There were also conflicts in the leadership positions of the sub-projects as it seemed that now we had conflicting messages coming from the leaders of the sub-projects (me and my colleague) and from the branch leader. This was also emphasized by the fact that some of the members of my core team were now part of the agile branch team and others were not.

At some point I questioned the whole existence of the Agile Transformation project that I was supposedly leading. It was clear for me that I didn't have any decision power anymore in regards of the tasks we were doing and thus it seemed superficial to suggest that there was even such a project existing. The only rationale for the existence of that project was to provide some feeling of inclusion to the people who weren't selected to the Agile branch core team. On the other hand their interest to work in the team was also declining so that point wasn't very viable either. Nevertheless, the consensus was that the project should officially go on as it gave possibilities to contribute for people who otherwise would not have had any.

I was also feeling more and more frustrated with the fact that we had now moved to a mode of operation that was against the change which we were trying to implement in the first place: Instead of having "agile ways of working" in our own project we now had the traditional setup of manager strictly controlling all the tasks done; instead of having documents that were jointly developed by the core team with the development teams we now had standard documents that were approved in some distant steering group and then cast upon the development teams; instead of creating coaching networks that would engage in discussions with the teams and find out better ways of working we now had a formal training deployment plan that included 2 hours of standard trainings with all the personnel (in the way that all the trainings should be conducted in a similar

manner with similar power points so that they would produce scientifically consistent results). It felt that this whole development of the project made me continuously do compromises on what I was saying and doing – on one hand I felt that I was supposed to stand behind the project that I was officially part of and on the other hand I was increasingly critical for the whole thing.

Apparently I wasn't the only one thinking in that way. There were several face-to-face discussions between the members of the agile branch where the participants were showing their dissatisfaction towards the new way of working and leading the project. However, in the formal discussions where the leader was present these opinions seemed to be suppressed – I tried to bring up those points of dissatisfaction a few times in our official retrospectives but there seemed to be nobody supporting those views openly. Eventually few people, including the other sub-project head, left the team with other challenges elsewhere (inside and outside the company).

### **Reflections**

*The way the implementation was lead in the agile branch was perfectly consistent with the ways of thinking in the upper hierarchies too. Here again, the first thing that the leader did was to design the team. New people were included and others excluded, so that the structure of the team would be optimal for the purposes of controlling and steering the work to right direction. The branch leader was engaged with discussions with the other branch leaders and with the steering group, providing the status of our progress to them and receiving the understanding of the higher-level progress in exchange. With this widened viewpoint he was then able to steer the implementation of the tasks in our own team. The implementation of the project was formalized accordingly, so the managers knew exactly what was happening. The steering group approved the documents so they were known to reflect the official thinking of the organization; trainings were formalized and planned so that the schedule and content of information transfer was known exactly. Everything was done in a professional manner and with a scientific accuracy.*

### ***Complex responsive processes of relating perspective***

*However, the thinking of complex responsive processes of relating provides a different explanation to what was happening. First of all, it is evident that here again the negotiations of power relations were of the utmost importance to the management. The inclusion and exclusion of people was a gesture suggesting that the leader had both the power and responsibility to form a right structure for the core team. This gesture was responded by our acceptance of those inclusions and exclusions, too. They weren't questioned much as the rationality for having a small team was taken as a viable justification. The cult value of leader coordinating the implementation work together with the steering group seemed to be shared by the team.*

*Even though there weren't any planned changes to the functioning of the teams, the change of the leader started new negotiations of the power relations to take place. The existing reified symbols that sustained the power relation were re-negotiated. There was no justified notion of inequality between the sub-units anymore and thus there was no reason why I should have remained the highest vote in the case of a conflict. In fact the highest vote was now on the branch leader that we all seemed to accept by not leaving the room at the kick-off meeting. The fact that he had refused to meet me in private limited my abilities to negotiate the meanings for the tasks we had. For me this then meant a change in my identity, I wasn't leading the Agile Transformation project anymore and I didn't want to pretend that I was, so I raised the meaning of this reified symbol to the discussion. The meaning of the symbol, the Agile Transformation project, was then changed in the discussion, but instead of giving it up, it was now consciously being used as a conversational tool, reified symbol, to make gestures of inclusion. At the same time, it also created a meaning of inclusion for me as the other members responded my gesture of letting go of my leader status by constructing another kind of meaning for it.*

*The conflict of cult values and functional values was also visible in the frustration that I showed. In the social process within many discussions in different parts of the organization I had formulated the vision of "agile ways of working" that included many kinds of ideal ways of thinking and acting. Now the project that I was part of functioned*

*quite a different manner in practice. The other members also created the documents with me and thus we formulated shared meanings for the different reified symbols that we were using. However, although we suggested that the teams should use the concepts, we did not seem to be able to use them ourselves. I felt this conflict clearly in myself and based on the discussions we had, something like this was also clearly felt by the others. My response to this was to raise the problems in the discussions in order to make sense of it, but when I made this gesture it was responded in return by silence or denial, which created a meaning of exclusion for me. Other responses that were seen were people leaving the branch, but in official discussions those responses were detached from the events of the Agile branch. Here again it is difficult to say whether the people leaving were protosymbols or significant symbols, but the meaning of these gestures in my opinion was clearly linked to the situation in the branch.*

*From the point of view of organizational development, the way the project was lead didn't really focus on actual organizational transformation. The only thing the management seemed to be interested in were the task lists and reporting structures. The emphasis was on the establishment and maintaining of the power relations and the local interaction happening in the different parts of the organization was highly neglected. There didn't seem to be any efforts to really dig into the conversations taking place in the team level. Thus it seemed that the whole program wasn't really established in order to make changes to the company culture, but instead it was established to create powerful identities to the nominated leaders.*

### **5.2.3 Reorganization**

Six months after the start of the Agile Transformation project a major reorganization was announced. The whole 15000 people organization was subject to it and there would be many firings involved all over the world. The predictions that without the quality improvement there would be loss of jobs now came true. This had a very big impact on the whole project. Around the same time as this happened the CEO of the company was fired and another person from outside the company replaced him. All these developments made it really hard to predict what would happen in the future in the company and it had a visible effect on the behavior of the employees.



First of all it seemed that there was generally a significant reduce in motivation to do the daily tasks. It was hard to get people to commit to the tasks concerning the SIP. For example the local coaching networks didn't seem to have time to hold meetings and it was harder to recruit new coaches for these networks in purposes of conducting the needed training sessions. In the conversations it seemed that many people were afraid that if they were seen as coaches they would have had increased risk to get fired from the company. This belief resulted from the previous reorganizations where it was seen that people working in quality organizations and line managers are the first to go – they aren't necessarily needed in order to go on with the short-term tasks, whereas e.g. project managers and SW designers are crucial for the short time targets to materialize. Coaches were then seen as people working for the long-term improvement of the company and thus residing in the same category as quality organizations and line managers.

Another pattern that was seen was the increase in politics. It seemed that people were trying to please the people that they thought had power to influence on the decisions of who will be fired and who will not. One example of this was evident in the following situation: A few of us working for the agile branch were asked to conduct a coaching session for people responsible for subcontracting. It was not in our official agile branch backlog, but we decided to do it anyway as that was part of our basic job description and we were not allocated 100% to the agile branch, but more like 50%. Furthermore, we thought that this event would be more important for the purposes of the whole agile branch than many of the tasks in the official backlog – some of which seemed to serve managerial reporting and metrics more than any of the real company goals. When the branch leader found out that we had made this coaching trip although there were other things to do in the backlog too, he was really angry. He ominously implied in the following teleconference that he is happy that he will not have to work with us in the short future. He did not explain it in any detail, but made it clear that he knew something that we didn't about our (or his) future in the project. In another teleconference he made threatening arguments to one of my colleague who had not had time to work on some tasks, implying that he would soon need his CV. All these developments in the discussions were pointing to the fact that there were already

ongoing discussions of who are the people that will get fired – and if one is not behaving, it might be him.

The new organization was then developed and announced layer by layer without anybody knowing in what positions they are being considered if in any. Managers were also requested to create excel sheets of their subordinates defining personal competence areas with a scale from 1 to 5. These were supposed to be used as the basis of building the next levels of employees. Every time a new layer was revealed there was lots of speculation about who will be the next persons to be nominated. People were also organizing teleconferences and meetings with the nominated people introducing their ideas for the new organization and at the same time trying to be seen as people worth keeping in the company.

Three days before the Christmas the last nominations were done. I had earlier received information that I was been suggested by couple of the nominated managers to a position in the new organization, but apparently there also seemed to be some conflicting views of that very position. It was impossible to get any detailed information of the discussions as they were done behind closed doors, but I received bits of information from here and there. So finally, three days before the Christmas day the lists were published and I found out that I wasn't on any of the lists. Thus I was part of the group of people, who were most probably getting fired. However, I was contacted by one of the nominated managers who then promised to use his networks to get me information of the remaining posts open in the organization, so that I could apply for the places that weren't openly published yet. So what I did then during the Christmas holiday was to reflect whether to apply for the few positions left or start finding a new career from somewhere else. Eventually I made a decision to continue in the company if I would just find something interesting.

### ***Reflections***

*This part of the narrative shows a typical development of the quartile economy. First people build well-structured organizations, projects, plans and hierarchies and then suddenly the expected unexpected comes. The usual way of working seems to break*

*down as the established structures does not seem to be relevant any more. People are more concerned of the future than the daily work they are paid for. Instead of doing the tasks that they usually find interesting and relevant, they are now doing tasks that seem to be the most secure ones. In order to get the people to focus on the wanted things, the management starts to use the "stick" rather than the "carrot", trying to convince people that they are better off if they do their work well. Sometimes this is more visible, sometimes more hidden.*

*However, even in this kind of environment the mainstream thinking is consistently applied. A new organization is built hierarchically, even scientifically by using numeric metrics of people's competences. Hierarchical structures are once again formed, so that the nominated manager has the control to nominate the next level of managers and so on. This ensures that all the layers are consisting of best possible people and thus the structure for efficient functioning of organization is ensured. The used approach in this particular organization change is even stricter than some other ways, so that people don't even apply for the positions but instead they are selected by the managers without a possibility to affect the decision.*

*From the point of view of dominant way of thinking, this kind of situation is hard to grasp. People seem to behave somewhat chaotically and the only things that can be grasped are hierarchical structures, which are then quickly established in order to get control of the situation again. The question why the things developed to this situation itself remains largely unexplored, pointing just to the poor plans or people's inability to implement those plans.*

### ***Complex responsive processes of relating perspective***

*However, the thinking of complex responsive processes of relating provides some explanations to what was seen here. First of all, the meanings of all the gestures seen here are negotiated in the social act. It might be the silent inner conversation or the public one, but nevertheless the gestures themselves don't have any meaning outside of the social act. The development seen in the changes of the top management level are then interpreted in conversations. The replacing of the CEO itself doesn't mean*

*anything particular - it's just a small change of one person, although a powerful one. However, that gesture gives lots of possibilities for interpretation, to the creation of meaning. The organizational change that was going on was already started earlier so the CEO didn't really have much to do with that. But this emphasized the fact that people were really getting fired at all the levels of hierarchy. This gesture was then responded by different ways. Some people responded by losing their motivation to do "anything extra". The meaning of the gesture was then that the "company" doesn't care about the people, and thus there's no need to care about the "company" either. Some people responded by trying to show their motivation to stay in the company to the people they assumed could decide on that - perhaps leaving all the other tasks they were supposed to do. Some responded by resigning from the company themselves and finding a new workplace, thus creating a meaning of exclusion.*

*The conversation on the coaches' role showed how the power relations on the company are always in negotiation. In the times of organizational change, the power relations were visibly changed. Suddenly the people doing the actual implementation work (SW designers) are the most important ones, as without them there will not be any deliveries, whereas at other times those other roles (line managers, coaches, quality people) make rules and constraints on the very work of the SW designers showing their greater power. So at the same time as the managers have the power to decide who will be rewarded, promoted, hired or fired, the SW designers have the power to deliver the end product. Thus the managers can't just utilize their power in whatever ways; the usage of the power is constrained by the power of the SW designers. How this all works out on the global level is the self-organizing social process of interdependent people forming enabling constraints to each other's.*

*The agile branch leader tried to tilt the power relations towards him by making threats. This was his response to the gesture of the team members who were exercising their power to actually do the implementation work of the project. Without the team members the manager could achieve nothing, and thus could be seen as a lousy manager by his peers – unless he could cast the blame on the lousy team members who did not follow his orders. But here again, it is seen as the manager's job to motivate people to do the work. It is easy to see how these power relations are actually reified symbols that are*

*used as conversational tools. The team members wanted to do the coaching trip, and thus they justified it by saying that it is part of their job description for which they also have work time allocated. They used two reified symbols in the justification: the job description and the time allocations. The branch leader on the other hand responded to the gesture by not accepting that explanation but instead suggesting that the team members weren't acting professionally, but instead were behaving badly and so he was glad that he wouldn't have to tolerate this much longer. Thus his response turned the meaning of the gesture into a fight and exclusion.*

*The meaning of the competence lists and decisions made behind closed doors was that they were also gestures to establish power relations. Ideally, the nominated managers were given power to choose whomever they wanted to the next level, without even consulting those people. In practice that wasn't however the case, as their decisions were also constrained by the conversations they had with the various stakeholders. For example in my case there were managers who would have wanted to do the nomination, but apparently they couldn't choose that option. The reason could have been a "smoking operation", where somebody with power wanted to get rid of a difficult person or the reason could have been a complex interaction between various managers that would lead to consequences on global level that weren't designed by anyone. However, it is important to note that this is something that will happen also in the case of planned action. Even if this particular case was a "smoking operation", any particular manager couldn't have controlled it. Instead the enabling constraints that all the people in the local interaction form for each other make many different developments possible. The gesture of a person not being nominated was responded by one of the managers by offering help to find out new job inside the company. Thus the powerful feeling of exclusion that was felt due to not being nominated was reduced, as the manager was offering a gesture of "inclusion". He didn't have power to offer a job, but he offered access to other jobs instead. Furthermore, as the next chapter shows, if there was a "smoking operation", it wasn't successful – instead a manager who wasn't part of the previous interplay gave the new job locally. This is an important notion in the sense that it shows how the development of organization always takes place in the local interaction that can't be controlled by some distant manager.*

*From the organizational development point of view, it is evident that the SIP manager had knowledge of the probable development of the situation in the company. As he predicted, there were layoffs coming. However, it could be argued that these layoffs didn't really have anything to do with the success of the SIP program. The most of quartile results that had triggered these developments were made already before the whole SIP program even existed. Furthermore, the implementation work that was productized was started and shipped to markets long before the SIP program existed. In that sense the SIP program was aiming to make a change in the long-term, perhaps affecting the results of the next year or so. Thus the meaning of the SIP program in the short-term was just to show that there were people who were really trying to make the required changes in the long-term. Perhaps that identity would be strong enough to spare them from getting fired. In this light, it is evident that instead of making "real" changes it would be more important for these people to look good, thus the emphasis of the efforts was naturally in the reporting structures and measured tasks. This would also give some explanation on why the hands-on coaching trip wasn't seen important by the branch leader, although there is no doubt that it had more effect than most of the official tasks in the backlogs.*

#### **5.2.4 New job**

One of my former bosses had an open place for a SW developer and after the Christmas holiday I decided to take that job. I hadn't done coding for more than five years and it seemed like an interesting opportunity to refresh my coding skills and feel how it was to "do the real work" again.

Quite soon, just after a few days, I was asked to rejoin the agile transformation project again as it now had a different leader who I had some common history with. However, I declined all these requests. The reason for this was two-fold: Firstly, I was angry at the management that had almost fired me in the first place. It seemed to me that they did not appreciate my contributions so I had actually no reason or obligation to continue with this project. Another thing, which I didn't say aloud, was that I hadn't been happy with the way the job and the project turned out to become after the SIP program was

established. So this change in my job gave me an opportunity to leave the project altogether with a perfectly good and “politically correct” reason.

As I started my new job it was very interesting to see how the professional identity shifted from that of the “leader” to that of the “employee”. As I didn’t have any formal meetings with the leadership teams that I was previously part of and as I wasn’t part of any change programs either, I naturally spent most of the time with the other SW developers. This meant that I rarely had any formal meetings and no teleconferences at all, which were previously eating up most of my work time.

One of the striking differences that I noticed was the complete lack of feeling that we were in fact in a heavy transformation process. In my previous job we were all the time talking and thinking about the ways of working, team practices, managerial practices, importance of cultural changes and all that. We constantly received and read, as well as wrote, emails that emphasized the need for change and which introduced the different projects and plans implementing these changes. We were engaged in the endless teleconferences where these aspects of transformation were discussed and transformed to decisions and tasks. However, now that I was working as a SW designer this all seemed to vanish – nobody was talking about the needs for cultural changes on the hallways, nobody was organizing meetings or workshops where we would think about the ways of working and I rarely ever received any emails that would talk about these things. It was striking also in a sense that I knew that the very same activities of the agile branch were still going on and my former colleagues were heavily engaged with the same kind of teleconferences and discussions that I had also been involved in.

### ***Reflections***

*It is hard to find viewpoints to this part of the narrative from the mainstream thinking. The development here seems to be just a person making career decisions, perhaps based on his personality traits and rational judgments. There is not anything particularly interesting about the notions of reduced discussion on the organizational development, as the job has been changed and it does not include those tasks any more.*

### ***Complex responsive processes of relating perspective***

*From the perspective of complex responsive processes of relating, this chapter points out several important things. First of all the identity is mentioned, which is formed in the social act. Identity is the capacity of mind to imagine all the responses of others towards the person's actions. This generalized other is formed in the social act, where the interactions between other people are abstracted in the inner dialogue, which then forms this generalized other. So as the social act is happening in local interactions, it is the local interactions that create the identity. The exclusion that I had felt from the part of the management (generalized other representing "the management") changed the way I saw myself, in other words it changed my identity in the work context. Thus it also made it possible for me to re-negotiate the work identity. My response to the gesture of exclusion was then to change my work identity. It is because of this why I rejected the offers to rejoin the agile branch. In the negotiations of my work role and my work identity I then used the reified symbol of "job description" to justify my reluctance to continue the working in that branch. Part of the reluctance was also the conflict between the cult value of "agile ways of working" and how it was functionalized in the project. However, one important thing was also the act of exclusion that made the change of identity possible - it also meant that the generalized other of "management" was still excluding me and this time my response wasn't to confront it but rather the change of identity.*

*As I wasn't in the local interaction with the people of agile branch or the leadership team I was previously part of, it made the changing of work identity even easier. There was clear change in my daily routines and with the people I talked with, which also changed the way I formed the generalized other and the ways it responded to me. It is also strikingly clear in this example how the whole concept of cultural transformation is constructed in the local interaction. Although I physically moved only a few feet from my previous desk, the whole environment was different. Nobody was talking with the language of OD about the transformation projects, agile concepts etc. The whole language system was different, and in this system the previously so important questions that were to form the destiny of the company and our jobs barely existed. So it is evident that the language that we used previously was heavily used as a way of*



*inclusion/exclusion to the community of OD. It was important for us in those local interactions as a means of conversational tools, but in the level of work where it was supposed to make the big impacts it was rarely used.*

### **5.2.5 Another reorganization**

During the time I was re-orienting to the new job, there were of course some other things happening also on the company level. Quite surprisingly for me, it took only 4 weeks from the beginning of my new job that the next reorganization was announced by the new CEO. This was even bigger than the previous one, touching the whole company. So in effect this meant that all the people, including me, who had just gone through rough times in the anxiety of not knowing whether we would continue to have a job or not, were once again in a similar situation. This time the effects to the people would be even bigger. Even more people would lose their jobs all around the world and thousands of people would be transferred to another global company.

This development was also heavily lifted to headlines by the local media. Even the Finnish government was contacted on the previous night before the announcement, so that they could start to think about how to mitigate the impacts in the region. All the newspapers made headlines; talk shows on television had interviews of the company leaders etc. So even though there weren't so much formal meetings in the level of regular SW designers where the consequences of this reorganization would have been speculated and the implications analyzed, there was plenty of that happening in the whole society. There were rumors of the new CEO being a "Trojan horse", politicians used the situation to get airtime and the press took every opportunity to make massive headlines on the further developments and speculations. Every day people in the office read new speculations and revelations coming from the media; it seemed that also the internal communication was moved to public forums.

Eventually the development was such that the whole organization I was part of was to be transferred to the other global company continuing the same work as subcontractors and there were special programs established for the people who were getting fired from the other organizations, promising better severance packages than what were ever seen

before: financial help for new start-ups, negotiations with other companies willing to establish offices in Finland, support for studying new degrees, etc.

The last day before the official lists of people that were to be transferred were published, I received a phone call. A person previously unknown to me asked whether I would be willing to consider a job as a coach in another part of the old company where I had never worked before. The job would be quite similar to the one I had before my move into a SW designer. After a weekend of considering this I accepted the job and even though I was one of the people that didn't have a job after the previous reorganization, I now, six months later ended up being one of the few in my organization that weren't getting fired or transferred to another company.

### ***Reflections***

*Again, it is hard to find viewpoints to this part of the narrative from the mainstream thinking. The development here seems to be just a continuity of economical turbulence that will cause unfortunate and unpredictable consequences. Company leaders are forced to make tough decisions and cut costs.*

### ***Complex responsive processes of relating perspective***

*From the point of view of complex responsive processes of relating, this chapter clearly shows the level of unpredictability in the company. There were lots of people using lots of time to quickly build another organization after the previous reorganization and now most of it was thrown away just when it was barely finished. It was probably also a surprise to the managers of the company how much discussion was raised on the level of society because of this act – and how much those discussions affected also the discussions inside the company. All that publicity may have had the effect that the conversations of the executives became more concerned of the future of the personnel than previously, having conversations with Finnish government etc. Perhaps these new focuses of conversations also formed new cult values amongst the executives in those*

*discussions, which created potential for new meanings, new ways of handling the reductions of personnel.*

*Also the development of my personal career took another unpredictable turn. Now I was once again provided an opportunity to continue working as a coach. This time my response for the gesture wasn't the exclusion and building of another identity, but instead I accepted the offer which then created the meaning of inclusion. The reasons for this offer were mostly unknown for me, all I knew was that I was recommended by some people and for this reason I was contacted. It is important to notice the difference of this gesture compared to the previous one. This time the gesture was made in a situation where most of the people I worked with didn't have the opportunity to continue in the old company. Thus it offered a powerful feeling of inclusion to something, which only few were granted. Another important difference was the management. The "generalized other" of the management of the old organization that I had created and felt was excluding me were being fired or transferred to the new company, whereas the management of this new organization was only making a gesture of inclusion. This provided me a good opportunity to once again start to change my work identity.*

### **5.3 Discussion on the case study**

The first purpose of this narrative was to study how the thinking of organizations as complex responsive processes of relating differs from the dominant way of thinking. For that purpose I presented a story of an organizational development project that I was personally attending. My purpose here wasn't to say that one of the ways of interpreting the narrative is the right one and the other one is the wrong one. Instead I tried to show in what ways they are different. All these perspectives are written from my own subjective perspective – I did not try to find “an objective state of mind” where everything is based on “facts” and not on “emotions” or “interpretations”. As this thesis tries to point out, such a position isn't possible in the real world. However, in the previous sections of this thesis I introduced the theoretical frames of these two different ways of thinking so that it would become possible for the reader to understand the basis of the thinking I'm using in the case study.

The second purpose of this case study was to show why for me the thinking of organizations as complex responsive processes of relating offers better ways to make sense of the various events taking place in the organization. As it can be seen, the mainstream thinking is concerned with the “objects” of the situations, making assumptions of underlying efficient, rational or formative causalities. The viewpoint of transformative causality that was used in the thinking of complex responsive processes of relating, on the other hand, gives opportunities to see how the organization is constantly being built and negotiated in the here and now. It gives explanations of why the plans weren't met, why the developments of the situations were sometimes rapidly changing, why the hierarchical power structures were established and why they did not work the way it was assumed they should have, etc. Most of these things are left out if the perspective of transformative causality is rejected and for me this is clearly seen in this case study.

It isn't always possible to make these kinds of analyses in the living moments of the daily work. First of all it would take time to reflect upon the developments and that time isn't usually available. In the heated discussions of everyday life there isn't much time to think and the bodily responses of emotions will quickly immerse one in to the discussion. However, in retrospective it is possible to study the situations and find new meanings for them. In fact, G.H. Mead (1932, p. 35-60) suggests that the past is always reconstructed in the present moment, there isn't any fixed thing called the past, which we could observe and study. The way of thinking of organizations as complex responsive processes of relating might provide some usable conversational tools for the future situations that are emerging, and above all, the meaning of the past can also be changed within the conversations happening in this moment. This is possible both in the silent inner conversation and in the public one.

For me this case study gave a possibility to have both inner conversations and public ones of the complex responsive processes of relating with a usage of narrative from my own living experiences of working in the organizations. It also gave me possibilities to apply the different ways of thinking in a creative way, which revealed new viewpoint to what was happening in those past moments. Those insights will be helpful for me in the future projects that I will attend. This case study also provided me good opportunities to

talk about this way of thinking with other people, with whom I could then deepen and transform the initial meanings that I had given for these events.

I would argue that if the people mentioned in the narrative had had some understanding of the organization as complex responsive processes of relating, the developments of the transformation projects would have been really different. Instead of solely focusing on measurable tasks, the leaders could have focused more on local interactions happening all around the organization. The power games, gestures of inclusion/exclusion, the usage of reified symbols and forming of identities could have been considered and taken seriously. I believe that this change in the ways of thinking would have led to rather different ways of working too. But as the insights of G.H. Mead show, the change in the thinking can have difference also in the retrospective. By reflecting the past events from a different point of view, it is possible to change the meaning of those events to the present moment and for the future. Thus it is always potentially beneficial to reflect the past in different ways.

## 6. SUMMARY

I started this thesis by briefly introducing a business environment where a need for the practices of organizational development and coaching has been created. As Stacey (2010, p.22-24) points out, this development itself wasn't designed by anyone but it was rather formed in a self-organizing local interaction between the people working in these fields.

I then proceeded to provide a comprehensive understanding of organizational development and coaching by looking at the mainstream thinking of the theories around work psychology where this thinking draws from. I also introduced some of the more modern theories coming from the tradition of systems thinking that are commonly used to support and expand those views. Next I introduced a different way of thinking about organizations, namely that of the complex responsive processes of relating, that utilized analogies from the complexity sciences as well as G.H. Mead's and Norbert Elias' theories of sociology. Then I studied the implications of thinking about organizations in these terms to the practice of organizational development and coaching as well as for the role of a manager-leader. Finally, I introduced a narrative case example from my own lived experiences of organizational development and coaching, where I applied both the dominant way of thinking and the way of seeing organizations as complex responsive processes of relating in order to better understand the differences of these two ways of thinking and also their applicability in the real life events.

The conclusions I made during all these phases pointed out how the dominant way of thinking is based on the notions of causality frameworks (efficient, rational and formative) that can't explain the perceived phenomena in a logical way, but rather have to create a split between the way that the managers (and the other organizational developers) are seen in the organizations (rational causality) and the way the other people are seen in the organization (formative & efficient causality). This split has to be then applied to many levels of hierarchy in the organizations, as the managers are also usually somebody else's subordinates. This split is made in two ways; either the organization (i.e. the people forming it) is seen as a system bound to behave according the systemic laws that control it (formative causality) or then the individuals are seen as

agents that can be controlled by finding out their inner rules of motivation and then setting them motivating objectives and preventive sanctions (efficient causality). The manager as an outside observer will then control the organization in either of these two ways. I also pointed out that the dominant way of thinking couldn't explain most of the unpredictable events taking place in organizations, neither the destructive nor the creative ones.

The way of seeing organizations as complex responsive processes of relating, on the other hand, gives viable explanations of why the phenomena, which we see in everyday organizational life, exist. This thinking explains why organizations behave in unpredictable ways, and why managers can't really control the organizations by plans and metrics. In this way of thinking, the assumed transformative causality puts the emphasis on local interaction. It is the local interaction where the emergent patterns of organization are created by the self-organizing interaction between the people in the organizations. The conversation of gestures between individuals form the daily politics, power games and identities, which are the enabling constraints that are both forming and being formed by the organization.

Thus it becomes important for the coaches and organizational development experts to pay more attention to the communicative local interactions taking place in the organization. These interactions can't be viewed from the distance as outside observers, but instead one has to engage in the discussions themselves as a participant. As the meaning is created and continuously transferred in conversations, it isn't possible to control that meaning. Instead one has to engage in the very discussions in order to participate in the joint creation of the meaning. This change of thinking will make the focus areas of work in the field of organizational development very different compared to those presented in the dominant way of thinking. Also the role of the coach and the role of the leader-managers are changed and the skills required aren't so much on the methodologies and abilities to plan, but in the way they are able to participate in the living conversations.

The purpose of this thesis is not to say that most of the OD experts, managers and coaches are going astray with their plans, methodologies and practices. For me it is

clear that there are lots of talented and competent people working in these fields, who are able to make “creative leaps” with their decisions in the local interactions of the daily life. Even though I am criticizing the dominant discourse and pointing out that the mainstream thinking is based on the theories that aren’t really viable but rather quite absurd, I don’t assume that people are really that rigid with, or even aware of, the philosophical basis of their thinking. Instead people are all the time inventing creative ways of thinking and acting that might or might not fall in the categories of effective, formative, rationalist or even transformative causality. The meaning is always emerging from the conversations of gestures and thus there are always possibilities for different meanings to emerge.

However, this thesis reveals that the dominant discourse doesn’t really provide the vocabulary of what is really happening in the daily organizational life after - and before - the plans and decisions have been made. This thesis shows that it is very important for the managers and OD experts to know the concepts and thinking used in the dominant discourse – those are the conversational tools that are used in the daily politics of the organizational life. Without the ability and willingness to use those concepts it would be really difficult to be included in the cooperative communications where global patterns are emerging. However, a manager, OD expert or a coach who also has the ability to view the organization as complex responsive processes of relating, has significant advantage over those who don’t have that ability – she will be better able to understand the patterns emerging in the local interactions and also the nature of her very own participation in that local interaction. That understanding can be very helpful in many ways – it might reduce the anxiety coming from the paradox of being in control and not in control at the same time. It can also enable better-focused usage of one’s energy in the demanding work.

Even though the official change programs taking place in organizations are usually designed and executed according to the underlying causality assumptions made in the dominant way of thinking, the thinking of organizations as complex responsive processes of relating can still give better possibilities for the practitioners to understand what is happening in the transformative processes taking place in the living moments of the organizational life. In that way it is possible to use this thinking as a tool to



understand what will happen after the official change programs are kicked-off. This understanding will then enable the practitioners to better engage in the local interaction that takes place in the organization and thus be part of that self-organizing behavior that will cause the emergence of the global patterns. The ultimate control of the organization can never be achieved. But, on the other hand, it is also evident that many organizations are quite successful with their goals. This is because there are competent people working together in local interaction and creating coherent and successful patterns of behavior as a joint effort. So it is always meaningful and important to participate in that cooperation even though it is impossible to control it.

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