

A NEW PROCESS FOR MANAGING ORGANIZATIONAL CHANGE

The Application of Systems to the Management of Change

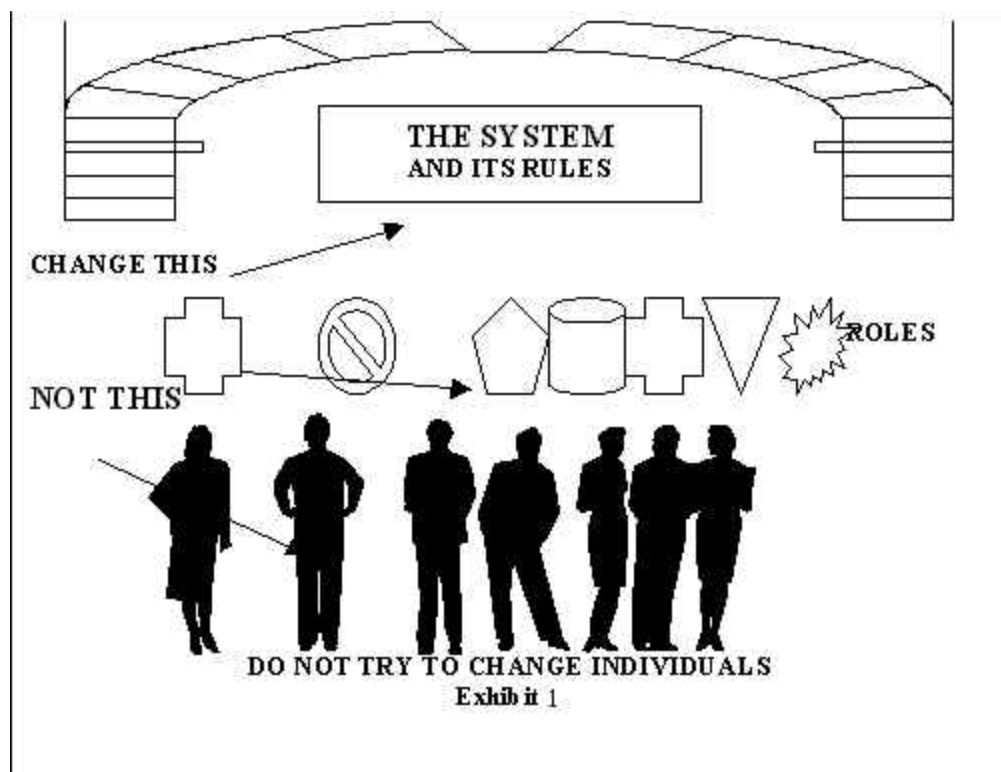
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Organizational Change usually focuses on either of two things: the individual or the organization. Often both approaches are used: the organizational followed by the individual.

When Change is approached at the organizational level it involves restructuring the organization. We often read of five thousand people let go here, or ten thousand restructured i.e. fired. With one fell swoop, tens, hundreds or thousands of people are impacted. By sheer organizational force, the will of the few is imposed upon the many, with little opportunity for influencing or altering the outcome. The process is swift but the benefits are often slow in arriving and frequently plagued by

resistance, in fighting, hidden struggles, and seldom supported by the management that is left. The change frequently traumatizes the system

When Change is approached at the interpersonal level it is usually a pyramidal approach. New programs or new procedures are announced at the top and introduced, theoretically, one level at a time. By adding up the cumulative impact of many individuals, or groups, one may force change. This is usually a laborious process, frequently turbulent, needing constant reinforcement, and extending over a long time, the outcome of which is frequently in doubt and often costly to effect.



Both approaches are inefficient and often less than effective. I shall describe here a third alternative that is based upon the application of systems theory to organizational change and operates at the next higher level of functioning. It is not additive but comprehensive, and manages the system as a totality, not as a collection of individual or groups. It is swift, non-turbulent, and once accomplished does not need constant reinforcement. The outcome is generally assured from the beginning and the Change can be quickly observed, frequently measured and assessed at an early stage.

THE SYSTEM PROGRAMS (ORGANIZATIONAL SOFTWARE)

Much has been written about systems theory. Little if any has been written about SYSTEM PROGRAMS. Most system work done today is theoretical. It is ex post facto, and attempts to explain from hindsight.

What follows is a description of systems programs developed over the past 18 years, applied and tested in over a hundred different systems, mostly large multi-national corporations, but also applied to city government, churches, social organizations, small businesses, and educational institutions. What is most remarkable is the degree of success enjoyed by most of these programs.

The key to change is to change the system and not the individual.

OVERVIEW

There are three key factors in dealing with a system: The Individual, the System, and the Role. The role links the

individual and the System. (See Exhibit 1) The role is defined by the System and occupied by the individual.

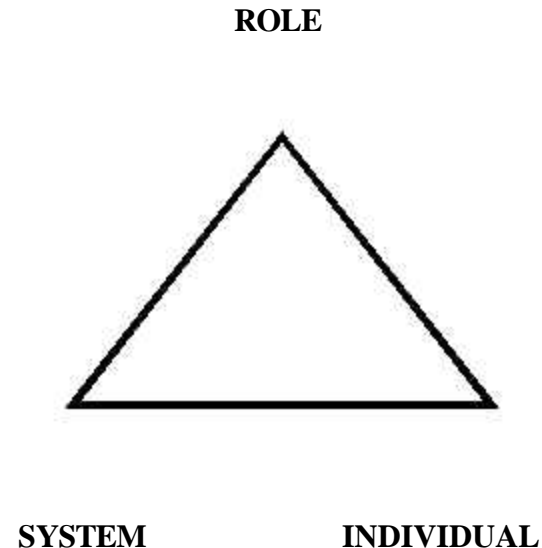


Exhibit 2

CHANGE WITHOUT CHANGE

The systemic approach involves all three aspects of the system: individual, role, and system.

Traditional approaches assume that change means changing the person or the organization, which is why they require so much force to bring about change and why they are so inefficient.

The systemic application described here assumes the opposite. One should never attempt to change the person. Personality, Character, i.e. the person is not something that can be changed easily; more to the point, no organization has the right to attempt to change a person. From both a pragmatic point of view (you will fail 90% of time trying to change people) and from a Moral point

of view (human beings have a right not to be subjected to forced change) the current strategies for organizational change are mistaken in their approach.

The systemic application described below assumes that behavior is a function of role. This means that we act according to how we understand our role. The same person will act one way as a father, a quite different way as a husband, and again act quite differently as a manager. Each day we take up a variety of roles and behave in quite different ways. Normally we move between such roles easily.

A classic example of role conflict is the Swedish manager who acted formally in the office with all his employees and was demonstrative and loving with his wife and children. One day while at a picnic with his wife and children he spotted two of his female employees approaching from across the field. Which role should he assume? His family role or his Managerial role? In a terrible dilemma, he packed up his wife and children and fled the field to avoid the conflict in role behavior.

The goal of a systemic approach is Change without Change: to change the role but not change the person. Many years ago I worked for a Manager, who was authoritarian, given to much screaming and shouting. One day, after attending a program, he learned that the role of a Manager is to listen. He redefined his role as a Manager as one who also listens. He did not change his personality. At the next Management meeting, after a few screams and shouts, he explained that he was now going to listen. He then gave the command, "talk, I'm listening." And he did listen. He had

changed his understanding of his role – and consequently his behavior – but not his personality.

It is not simple to help a Manager redefine his or her role, but it is practicable. When a Manager discovers that he or she is being paid to listen or consult, rather than give orders or answers, they are capable of changing their behavior rapidly and without conflict. They may be less or more effective in taking up their new role, but they are able to change their behavior.

WHOSE PROBLEM IS IT ANYWAY?

A second unstated assumption of traditional organizational Change programs is that the initiator of the change is responsible for the change. Consequently, it is not unusual for the CEO or Change Agent to assume responsibility for the change. The result of this assumption is that the work force and the Managers in the organization support the change on behalf of the CEO/Change agent. They have no intrinsic responsibility for the change. They are supporting the change as good corporate citizens, or as a favor to the Boss, or because they feel intimidated to do so. But they are not doing for themselves. They do not own the problem.

The first step in a Systemic Change process is to transfer the responsibility for the change to those who will bring the change about: the managers and the work force. It is true that the CEO or Change agent may be ultimately accountable for the final results, but for a real change take place the problem of changing the system belongs to the work

force and the Managers. It is only when they assume full responsibility that the change will take place, fully, swiftly, and without turbulence.

WHAT IS BEING CHANGED IN AN ORGANIZATIONAL CHANGE PROCESS?

All too often managers change the things they know how to change, not the problems they have. It is like that old joke where the man is under a street light on his hands and knees searching wildly about him. When asked what he is looking for, he replies, "My keys. I dropped them just over there, but the light is much better here." In any organizational change program, it is the organizational system that most frequently needs to be changed, i.e. the roles, rules, and relations that govern the way in which the system works. But a system is not something that you can see. It seems much easier to try to change the people, the organizational structure, or the technology. These are all tangible and we have techniques and tools we know how to use. It is always easier to solve the problems we know how to solve than the ones we actually have.

In order to change the system, we need, at the minimum, to identify the system and how it works. We need to understand the pattern that connects the behavior of the members and how the system works. Yet managers continue to approach organizational change like medieval philosophers approached nature; they studied natural philosophy. Today we study physics, chemistry, biology, etc. , the sciences, not philosophy.

SUMMARY

In summary, one should not try to change the organization or the person, but one should help managers and employees to change their understanding of their role i.e. Change the role, not the person. Second, responsibility for the change must be transferred to those making the change and should not remain with the boss or the consultant. Third, one must focus on changing the system, the combination of roles, rules, and relations, and not the individual or the organization.

A SYSTEMIC MODEL FOR CHANGE

The system model proposed has four distinct parts:

RESULTS;

PROCESS

BLUEPRINT

INFRASTRUCTURE

RESULTS

When President Kennedy said that America would put a man on the moon by the end of the decade, every person in the world knew clearly what would be accomplished and by when.

Every process for change should have the same clarity. Employees should be able to understand what organizational results are to be achieved and state them in clear and unequivocal terms. (Remember that change is not the object of a change program, organizational results are the goal.)

The Boss needs to set clear and well defined organizational results. These may include merging two organizations to act as one, increasing Sales and Profits, increasing productivity, becoming a service driven organization, improving product quality, reducing scrap and rework, etc. Change is a process or means to achieve results, not

PROCESS

Second, a clear and well defined systemic process is required to help the members of the system change the roles, rules, and relations governing the system, i.e. achieve a change in the organizational system.

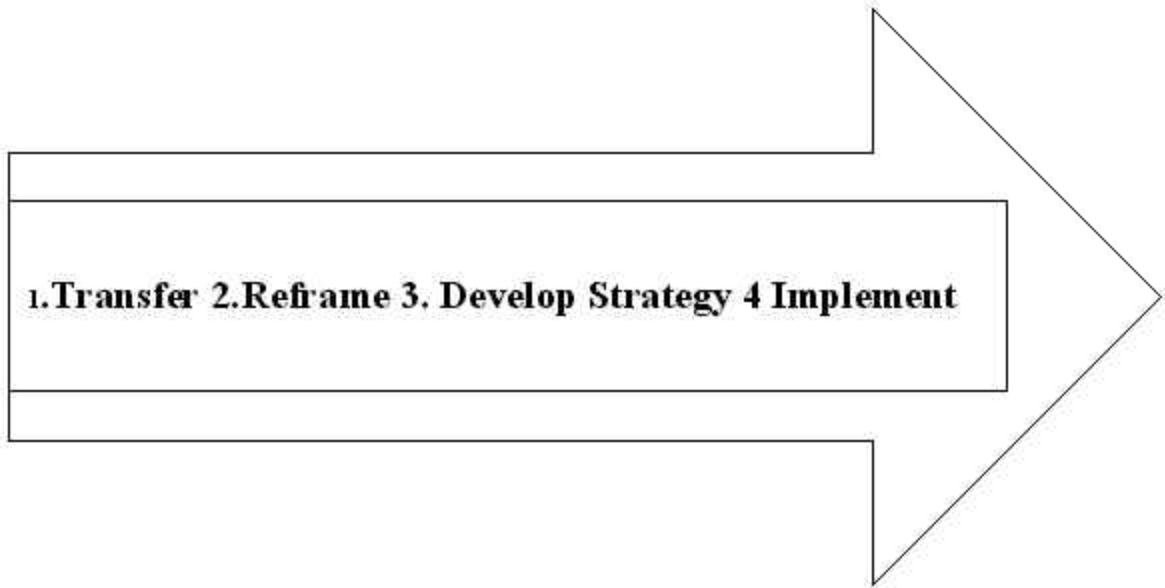


Exhibit 3

a goal in itself. The results must be quantified or at worse, described in clear behavioral terms.

The results are the defining element in any change process. The achievement of organizational strategies in no way assures achievement of the business objectives. Success in bringing about change rapidly and effectively is linked closely to understanding what clear and unequivocal results are. Less than clearly defined measurable or behaviorally defined results impede a successful change effort.

The defined process guides the managers through the systemic change in the organization. This process is the central change process. The content of the process, such as, issues, problems, solutions, results strategies, etc., are developed by the managers. The process insures that the managers confront the issues they actually have and not the ones they know how to solve. The process moves from individual to role to system, constantly circling back and amplifying, through feedback, the systemic change process.

FOUR PART PROCESS: Changing the System, Not the person

Transfer the task responsibility to the system.

Reframe the roles of the system members and rules, and relations of the system

Develop a Strategic blueprint and Action plan.

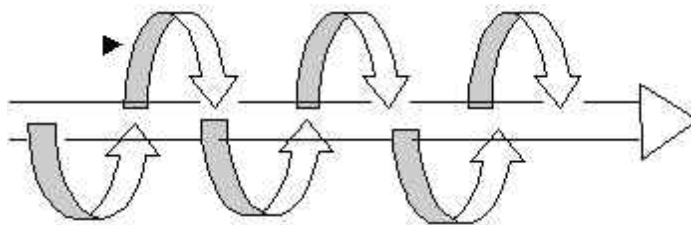
Implement the Blueprint and develop the infrastructures

Systems are like gravity; they influence behavior out of our awareness.

continues to reinforce the changes. The change is impelled, not by the strength of individual will-power or commitment, but by the on-going structure of the system.

It is seldom, if ever, possible to implement a change process with the entire system. One needs to identify that subsystem with the recognized formal authority to influence change within the system. In a business organization, this normally consists of the top three levels of management. An optimum subsystem to begin the change process with is the top 35 managers. In smaller organizations the number may be smaller. The minimum subsystem required is 10; the maximum is 48. Below ten the subsystem is too small and above 48 the subsystem is too large and there is the danger it will split into two competing parts.

Individual System Behavior



**Process Step 1)
Transfer the task responsibility to the system**

Exhibit 4

The process for bringing about change focuses upon the system, not the individual. By shaping the conditions that control the system, one may insure that the individuals are collectively confronted with the challenges of the organization in such a way as to help them to redefine their roles, the rules, and their relations. This effectively redefines the system and reinforces the new system. Once in place a new system

The first step in making a systemic intervention is to transfer responsibility for the change of the system to the system. All too frequently, the responsibility for the change remains with those who initiate it or with the consultants who act on behalf of those who initiate the change. In other words, managers within a system are attempting to bring about a change on someone else's behalf, not on their own behalf. They are doing you or someone a favor. They are being helpful. But they are not responsible. As long as the responsibility, the burden of change, lies

with someone else, they are not responsible. This characterizes most interpersonal change efforts.

The Managers may feel or be made to feel responsible to someone else, which is what happens most frequently. The motor that drives the change activities is not inside them, but in the person who is pushing the change. As long as the owner of the Change, usually the Boss, keeps pushing, the Change proceeds. Some times it even works. But not without great cost, both in time and money, not to mention the energy and angst that is involved, on all sides. The moment the Boss stops pushing, the change process lapses.

The process for change must be designed to insure that the system and all its members feel responsible and accountable for the change. This is not an intellectual feat, this is a systemic transfer. The monkey is on the back of all those who will have to make the Change

Process Step 2.) Reframe the roles, rules, and relations of the system members.

The next step is to redraw the mental map of the system.. The process begins with the mental maps that we each hold individually in our heads. These maps are seldom examined. We simply go about our business, making decisions and operating without awareness of these internal gyroscopes.

Perhaps the most fundamental part of any change process is the reframing of the maps we hold in our heads. When the banking industry was deregulated just about every major banking

organization developed strategies to break out of the niche positions they had occupied for so long in order to get into the capital markets Arbitrage, merger and acquisition. And almost all these strategies failed. The goals were clear, the strategies well defined, and were communicated throughout the organization. The reason, I believe, that they failed was not for lack of understanding, but because the maps held in the heads of Bankers for five hundred years, was that all loans had to be backed by sufficient collateral to protect the bank's assets. These new strategies required taking risks beyond the normal acceptable standard. Those leading the banks encouraged such risks, but those following them followed what was in their heads, not what was in the heads of their leaders. The message they heard was, "do as I say, not as I do." They recognized that the system had not changed. There was only a wish for change. They were not prepared, quite correctly, to act on that wish.

The Pattern that Connects

The key to understanding any system is to discover the pattern that connects. The individual mapping holds information not only about the individual, but also about the subsystems and the whole system. By helping the individual to discover the pattern that connects, one begins to understand how and why the system works the way it does. The pattern of all maps is a clue to how the system functions and why it functions the way it does.

Character vs. Role

Most managers assume that poor performance is a result of character or

the lack thereof. While this may be true at the interpersonal level it is not necessarily true at the systemic level. Poor performance or aberrant behavior may well be the result of misunderstood role definition. If I believe that I am paid to give orders and I feel that my role is to insure that no one makes a mistake, I will give orders and control everyone and everything. I may well exhibit behavior that is aberrant and results in poor performance.

Individual mapping allows the participant the opportunity to explore their role, the pattern that connects, and to examine its impact upon them and upon the system. It also provides information about how the system itself works. Most important, it frequently demonstrates to the manager that the responsibility for the problems or conflicts, is not his boss or his subordinate, but belongs to him/her.

For example, a subordinate may characterize the Boss as indecisive and even incompetent. Therefore, the Boss is the problem. Through the mapping process the subordinate learns that if he defines the Boss as indecisive and incompetent (which may well be accurate) he usually defines himself as decisive and competent. Therefore he is right and the Boss is wrong, he is good and the Boss is bad, and that they, together, are in a circular relation in which he reinforces the behavior of the Boss. As long as he is right, good, and the better one, he need not change. He is now in a collusive relation with the Boss. If he really wants to change something, he must give up his righteous role and take responsibility for changing his behavior in order to change the

circular-reinforcing pattern that maintains the status quo.

Each person within the system is, so to speak, a small holograph of the entire system. Whatever role topics are examined become an expression of the system. In other words, the system may be said to speaking directly to us. By examining the nature of the role analysis topics, one will usually discover some of the key issues affecting the system. The system is talking to us, saying, "these are the issues that are upper most within me."

The role analysis is permits one to swiftly uncover the pattern that connects, with little if any turbulence. It functions in small self-selected subsystems. Usually the impact is as great upon those within the subsystem as upon the presenter of the role analysis issue.

The third part is an analysis of the system itself.. The overt objective of the system analysis is to clarify the relations between all the roles in the subsystem. The system sees itself reflected overtly by all its members.

At the unaware level the system displays what is known by everyone and yet has never been openly seen. The presentation of the system for open inspection immediately permits the individuals and the system to begin the process of rearrangement, from what is to what should be. Moreover, the leader of the system is specially offered the opportunity to rearrange the system. It is not unusual for overt Changes to be made at this time. The first public Change often occurs at this point.

At the systemic level, the system, until now, hidden from view, operates as an entity. The invisible has become visible and open to examination.

The system analysis is an overt process by which all members of the system are able to locate themselves in relation to all other members of the system.

Technically, there is no new information for the members of the system. They know everything before hand. Yet, the overt presentation by all members of their role relations to each other is a memorable experience. Five and even ten years later, members will recount in detail the nature of the experience. Systems are normally invisible. Like gravity or air they control our very existence, yet we seldom are aware of their presence. The revelation of the system in observable and concrete terms is the every day made awesome.

Reframe the Roles, Rules, And Relations of the System

The next stage in the systemic process of Change is to begin the process of reframing the roles, rules, and relations of the system. However, one can not reframe what has not yet been defined. The first task is to define the roles, rules, and relations that currently exist.

We are operating at three levels. At the first level of overt objectives, the task is clear. Define what is happening in the system. This means examining how each of the subsystems functions, how the various subsystems relate to each other, and how the entire system functions. At the unaware level, the members of the system immediately begin the process of

tidying up the system. They make small emendations, improvements, and alterations to define not what is happening but what should be happening. The result is a mixture of what is and what should or what might be. At the third level of the systemic meaning, the system is beginning the process of transformation. It is in flux.

Once the system is in flux, a number of interventions are made to finalize the reframing process. These interventions include the introduction of systemic information to aid the system members in reframing the system; an iteration of the definition process, now focused specifically on reframing the system; and an intervention designed to identify and correct less well functioning aspects of the system. Those managing the process normally make this last intervention. It is a kind of nudging the system in the direction that it needs to go.

Process Step 3): Develop Strategic Planning and Action Plans.

The final step is to freeze the new system and use it as the basis for defining future behavior. The subsystems are each provided with the opportunity to work on developing strategies and action plans to accomplish the stated goals, based upon their understanding on how the new system functions.

It should be pointed out, that as a result of their new understanding of the system the system members might have also redefined not only the system, but also the goals of the system. With new understanding and awareness, comes an understanding of what might be the

actual goals of the system. Most often, the original goals are correct, but frequently incomplete. In other words, additional goals are required to achieve the over-all goal.

Again, the process is operating three levels of meaning. The overt meaning is to develop strategies and actions plans. At the unaware level, the meaning is to cement the new system into place and use this new understanding to bring about changes in behavior in terms of roles, rules, and relations. At the systemic level the system is receding into the area of unawareness and once again reasserting itself in defining and influencing the behavior of its members. But this is the new system at work. The Change has been initiated and the new network is imposing itself.

The Process

It is important to remember that the process of managing change is a just that, a process. It is not a series of experiences that give you an "aha" experience, the sum of which experiences bring about change. This is too often what the inter-personal process is about. A systemic process is like a work of art. It builds upon one theme, connects it to another theme, which is often a variation upon the first theme, and deepens the experience and intensifies our knowledge. This is compounded by connecting to a third theme, deepening further our understanding and building upon the first two experiences. And so on.

BLUEPRINT

The result of systemic change is that the system members design a clear blueprint and plan of action to implement the operational changes required to achieve the organizational objectives. The blueprint and plan of action derive from the organizational issues and problems identified as barriers to achieving the results, and are based upon the newly changed and agreed upon systemic organization. The blueprint should be communicated to all members of the organization.

The blueprint is the integration of the subsystem's strategies and plans of action. The integrated plan of action is accomplished by the entire system working in concert, and finally approved by the Leader of the System.

Strategic Planning at the systemic level may superficially appear to be like that of interpersonal planning methods. There are two significant differences. The first difference is that in systemic planning you plan backwards, from the completed results. The changed system is defined and the results concretely defined in measurable or observable terms. The strategy is discovered not so much planned. Looking backward from the results, one treats the strategy as history, and uncovers what the milestones must have been to have arrived at these results.

The process of planning is undertaken within the boundaries of the newly formulated system. The roles have been redefined, as well as the rules and the relations. The entire system shares a collective map of the new territory. As a result, the plans and strategies are not designed to work within the old system, but only within the new system. One

does not rely upon motivation, personal energy or commitment, although these things are a part of the experience, but rather upon individuals acting within the framework of their new roles. They almost cannot not act; the dilemma is not in the acting but in knowing how to act in their new roles. For this reason it is often necessary to provide supportive training or consulting to help the managers carry out that to which they are already committed. The engine that drives is within the individual members of the system, and not only within the boss.

INFRASTRUCTURE

The implementation of the blueprint will result in the creation of infrastructures that will cement the new system into place and reinforce the newly created systemic organization.

The infrastructure locks the changed system into the new web of roles, rules, and relations and operates almost independently of the individual members of the system. During the planning stage the infrastructures required to reinforce the new system and operational objectives are identified and they are implemented as the final stage of the over all change process.

Development of the infrastructure is a key issue in any change process. An infrastructure is ritualized and repeatable forms of behavior. A weekly meeting is one form of an infrastructure, a standardized form such as a budgeting process is an infrastructure. It is not a change in the organization structure; it is a support of the structure. It is a means

to transform the new system behaviors into a repeatable, ritualized, behavior.

In addition, it is not unusual to support the new infrastructure with additional skills training, education and specific supervision. There is a specific reason for this. Following the implementation of a systemic change process, the system is changed and the members of the system are making the changes to reinforce the system. The problem is that the wish and the will to change are not sufficient. One also needs the skills and know-how.

The Need for Skills

After a successful intervention and significant change to the system, I received a call from the CEO of the organization. His most senior manager and strongest ally refused to carry through a command from the new CEO. He was calling to announce that he might possibly have to fire him. What did I think. I was surprised and asked why he would consider firing the most effective senior manager he had. "Because," came the reply, "he will not do what I tell him to." I then pointed out to him that he was the one who had insisted that his people had to start thinking for themselves and taking responsibility for their actions.

I suggested that he call the man in and meet with him about this issue. I also suggested he avoid giving orders or solutions and ask questions. I gave him explicit instructions on how to manage himself, how to avoid conflict, and how to support the manager while exploring the differences. The CEO called back

three hours later to say that the meeting had gone extremely well, there were no problems and he was happy with the situation.

This is a prime example of how lacking some basic skills can create imaginary problems. Follow through with the subsystems and selected individuals are urgently required immediately following any intervention. The goal of such follow through is to aid the new system in taking its first steps. It is not a question of commitment but a question of skills and experience. A few minor changes in understanding about how to follow through can eliminate gross errors in behavior and significantly impact the entire change effort.

AN APPLICATION TO A MERGER

In January of 1993, Leon Cohen, the CEO of PG Bison, a South African company with approximately 70% of Press Board business, approached me in Brussels to determine whether we would be able to help him with the merger of the three companies that made up the PG Bison holding company. It seems that the three companies were competing with each other. Costs were increasing at approximately twice the rate that profits were growing. In a short time, if the trend continued, the company could well become unprofitable. Mr. Cohen was determined to act before this could happen.

We discussed the approach we would take to support this merger. PG Bison had already conducted a market analysis, had developed a new marketing strategy, and was clear as to what strategy it

would follow when the three companies were merged into one. The real problem was the merger itself. While everyone recognized the need for the merger, no one really wanted it, other than Mr. Cohen. The reason was simple: the three Presidents would become Executives, the Boards would be dissolved, their public status would be reduced, and every Executive and Manager would drop one level in status, and the company would now be run from a central headquarters in Johannesburg. Mr. Cohen was convinced that the resistance would be great and that no matter how good their strategy was, it was unlikely to be successful, without the support and efforts of the Executives and Managers. Could we help him to overcome this resistance?

He put a number of non-negotiable items on the table, the most significant being that Sales and Profits could not be compromised. After an in-depth two-day discussion of the company and its issues, I outlined a strategy and rationale for the merger that we would follow. In addition, I placed one condition for working with the organization. Mr. Cohen sat on the Boards of a number of Corporate and Social organizations. These occupied a significant amount of his time. The success of such a merger would be impaired without his full time commitment to the merger for a period of at least two years. He agreed to this condition and a deal was struck. The Goals were clearly defined: To merge the three companies into one in one year, to do so while maintaining Sales and Profits, to do so without turbulence or dislocation to the organization, and to do so while maintaining the spirit and social conscience that had characterized this particular company. The process was

clearly defined and agreed upon. The next step was to start the implementation.

The following is a summation of the strategy that we followed.

The first step in the process was to begin the transfer of responsibility from the CEO, Leon Cohen, to the Executive Team and then down the organization. This involved reframing the mental maps of the Executives. Each Executive was offered a new role in the new organization and asked to define the goals and the strategy for running their new functional department. The roles and relations of the Executive Team in the new organization were redefined and responsibility for the Merger immediately fell to them. Each of them mapped the new system. They were also asked to identify the new Management team for their department.

As always with a systemic intervention we are working at three levels: level 1, the over goal of defining who the new members would be, the new strategy, and the departmental goals. All of this was to be presented to the combined new Management of the Merged company, i.e. all those reporting to the newly constituted Executive. Level 2: The redefinition of the individual Executive roles and presentation to their new subordinates began the transfer of responsibility for the merger to the Executive. Level 3: The new company system was being created for the first time.

[Comment: While each of the Executives accepted their new jobs and agreed to prepare their strategies, goals, and identify the new teams, on the

appointed day, not one of them had done so. Consequently, each Executive was asked to do the planning immediately. Each individual professed his agreement that the merger was necessary, but each also indicated that they, personally, were not pleased with the decision. Their behavior more than demonstrated their resistance.]

The next major step was to assemble the top team of approximately thirty-five managers to continue the intervention. This involved the six-step process outlined above.

The process took place in Kruger National Park and lasted one week. It began on Saturday and the day was labeled, "Paint the Organization." Each of the Executives was given an hour to paint a picture of the new departmental organization for the assembled managers, to answer questions and generally discuss how the new organization would work. Leon Cohen, the CEO gave an overview. At the end of the day, all the managers met in their old company configurations and shook hands to say farewell to the old organization.

The 35 managers, by the end of the day, had a picture of the new integrated PG Bison. Moreover, they were now clear it was to be their responsibility to bring about the change. They were in a depressed state. The responsibility had been transferred to them and it was not a burden they gladly shouldered.

Sunday was a free day and everyone went on Safari into the park.

Monday and Tuesday were focused on two things: 1) Helping the second level

managers to reframe the mental maps they held in their mind and begin the process of assuming responsibility for the organizational change and 2), helping the Executives and their Managers begin to work out the practical details of how they would actually manage the transformation from three companies to one.

One hour and a half interviews were scheduled for all the managers to review their maps of the new system responsibilities they were assuming. Concurrently, meetings were held by each of the executives with their subordinates to work out the immense number of decisions that were required to bring about the change. It was a marathon, with individuals shuttling between their mapping interviews and their management meetings.

By the end of Tuesday the first step was complete. The entire management met in plenary to report on each of the department's plans. Within a space of the two hours the assembled group ratified perhaps fifty key decisions for implementing the new organization and making all the logistical and tactical decisions that were required to bring the new system into being.

The transference of responsibility was completed and the individual maps had been reframed. But the new system was not yet in place.

We then began, on Tuesday evening, the process of creating the new PG Bison organization. The process began by outlining the steps for the next three days and formally placing responsibility for the implementation on the assembled Management Team.

Wednesday began the formal process of integrating and redefining the collective roles of the Managers of the new PG Bison organization. Six issues were raised and six role analyses conducted. The process of redefinition of roles had begun and the System began to speak to us. That afternoon we went to work on the System itself. A full system analysis was conducted, redefining the roles and relations of all the members in a special systemic exercise that displayed the relations for all to see.

The next step was to help the system begin the process of reframing their collective roles within their subsystems, between the subsystems and in the whole system. This process took most of the afternoon and early evening. In the evening the managers exchanged their hypotheses regarding the system. The entire system was now hard at work reframing the roles, rules and relations of the system.

The atmosphere was less dense and less fatalistic, and could be described as more neutral and curious. They were becoming observers of their own behavior in the midst of changing that behavior. The members of the system were raising issues and problems to the surface through analysis of their roles and of the system itself. Many of the issues raised were already known and had been discussed in both formal and informal circumstances. Others were new. But the context of the formal systemic process permitted exploration under controlled circumstances. The process permitted the members of the system to delve two and three levels down and to uncover the pattern that connects.

The system had entered into what Maturana and Varela call an autopoiesis state, a state of "self-making." The system was in the process of self-organizing under what might be called controlled conditions. The Consulting Staff managed the program process and created what might be defined as the controlled condition that influenced how managers looked at whatever it is they chose to examine. The Managers determined what content to examine and concluded whatever seemed appropriate, which is why such a process is so powerful. The collective system is beginning to redraw their maps, both at the individual level and at the systemic level. These maps are never entirely the same, but the overlap is high and the differences and similarities are closely examined on a formal basis. Even the differences are now shared.

By the next day, the system was beginning to coalesce. Six new role analyses were conducted after a lecture introduced the concept of systems and how they work. This intellectual description of systems provided the necessary information to help the members bring order to their understanding of what was happening. The depth of exploration of these six additional role analyses was profound, in a number of cases, and reinforced the patterns that connect.

One of the most senior and most valued Managers of the Executive team had also been the most resistant. He was dead set against the integration and merger of the three companies. He was a powerful figure in his community, particularly in the Football Club that he led. The merger would impact his personal life significantly. After the introduction of

the hypotheses, he did an about face and worked hard to integrate his sub-system into the merged organization. His change was quite startling and had a significant impact on the rest of the system. (It should be observed that upon his return to his own location, a thousand miles from Johannesburg, he reverted to his old behavior. He left the company a year later on mutually negotiated terms. It was clear that his primary system was the Football Club and social esteem of the community he lived in.)

The System was now assembled to formally determine their understanding of the system, how it functioned, how the parts related to each other and how the sub-systems functioned. The new system was at work. Its members confirmed their new understanding of both similarities and differences. They now had new maps and new found understanding. The question was now, what to do about it.

THE BLUEPRINT: STRATEGIC PLANNING

The PG Bison system now went into gear. They had already made numerous practical decisions as to how to implement the change and merge the three companies. Now the question was, how were they going to make it happen.

The excitement was palpable. Using the Systemic planning process provided by the Staff, they moved to develop a blueprint for merger of the three companies. Working late into the night each sub-system fashioned a plan of action for their department. They had a new vision of the organization and they

owned the problem. More important they now had a clear understanding of their new roles, an understanding of their relations to the other parts of the System and an understanding of their relation to the other parts.

The next day, meeting in plenary, the various subsystems presented their strategies and plans of action to each other and to Leon Cohen. After much discussion and exploration, the individual plans were modified as necessary and approved by Mr. Cohen. The blueprint was in place. The System was poised to make it happen. The energy and ownership was clear and unequivocal.

INFRASTRUCTURE

Over the next few months a number of systemic processes were introduced into the PG Bison system. A Strategic Communications process was implemented involving hundreds of managers throughout the company. A training process was implemented to train managers to manage systemically. And a number of the new departments implemented the same systemic processes described above.

From time to time one would hear elegiac conversations regarding their old organizations, filled with a sense of loss for the "good old times." This was clear evidence that the three organizations no longer existed, but that a mourning process was still going on. One thing one never heard was the "us and them" syndrome.

RESULTS

The plans were implemented, more or less successfully. Certain managerial redundancies never took place, and not every plan worked out. But a new, merged PG Bison organization emerged clearly and unequivocally. During this period of significant upheaval the company continued to function effectively. Not only did it not lose sales or profit, it actually gained two percentage points in share of market and achieved the highest profitability in the company history.

THE APPLICATION OF SYSTEMS TO THE MANAGEMENT OF CHANGE

In the new knowledge society, there is less and less room for the command organization, and a greater need for the knowledge- managed system. This means the managed transfer of authority and responsibility for Change to our organizational systems.

Systems' thinking is a well-received and highly valued concept in Management Literature. However, few applications have been developed that are truly systemic in nature. The processes that have been outlined here have been tested over a period of 18 years with over a hundred systems, most of them large multi national organizations, with a high level of success. They bring Change swiftly, without turbulence, and offer managers a new and effective strategy for managing change and not forcing it. The processes described here are still in their infancy; but as the capacity of the integrated circuit doubles every three

years, so the capacity of such processes have the potential to multiple control of our organizations exponentially.

CONCLUSION

At present there is a wide gap between systems theory and Applications (i.e. systemic processes) of the theory to organizations.

Systemic Applications as described here have the capacity to bring about change swiftly, effectively, and without turbulence to the system. This means that changes that previously took years to implement with high costs, great turbulence, resistance, conflict and lingering damage to the organization can be accomplished in 1/3 to 1/4 of the time without the accompanying negative impacts. One might contrast the current interpersonal approach with the systemic processes as the difference between vacuum tube technology and the integrated circuit.

The Systemic Applications described here are a first step in applying systems to organizations and to the change process. With more and more organizations attempting to apply systems processes, and not to talk about systems theory, it is clear that new and improved applications will develop swiftly. As the computer has revolutionized business in the last 15 years, so systems applications have the same potential to transform our organizations.

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