Best Available Copy
BUILDING RESILIENT ORGANIZATIONS
FOR TURBULENT TIMES

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

- The intent to change becomes a commitment. This occurs when people are made aware of the high cost for not achieving their goals.

- This bond between intent and commitment becomes the motivating force for adhering to a structure that can translate determination into tangible results.

- The resolve to continue this course of action is tested and reaffirmed throughout the implementation process.

- The successful accomplishment of the change increases the likelihood that future changes will be attempted.

- The cycle of intent, commitment, structure, and reaffirmation is most likely to be sustained in an environment characterized by learning (accountability responsibility, consequences) — not blaming and defense.
What is major organizational change?

If change is a disruption in expectations, major change is a dramatic departure from what was anticipated.
THE INCREASING IMPACT OF CHANGE

Key Characteristics of Turbulent Work Environments

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

- "Assimilating change" means recovering from a significant disruption in expectations. This is accomplished when new expectations are developed that allow people to succeed in an unfamiliar environment.

- It is not necessary for people to like what has happened to them when disruptions occur. What is important is that they can establish new expectations that will enable them to dictate or at least accurately anticipate what will happen in the unfamiliar environment.

- Each individual, group, and organization has its own unique capacity for change that is symbolized by the amount of "assimilation resources" they have available for adjusting to change.

- When people face more change than they have assimilation resources to absorb, they encounter FUTURE SHOCK.
FUTURE SHOCK

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

CHANGE-RELATED DYSFUNCTION

Any action or feeling that diverts resources away from meeting productivity and quality standards.
CHANGE-RELATED DYSFUNCTIONAL BEHAVIOR

HIGH

Suicide
Murder
Violence
Family abuse
Physical or psychological breakdown
Substance abuse
Chronic depression
Sabotage
Strike
Actively promoting a negative attitude in others
Overt blocking of task or procedures
Covert undermining of leadership
Malicious compliance

Interpersonal withdrawal
Apathy or retiring on the job
Resignation
An array of symptoms such as stomach pains, headaches, ergonomic disabilities, etc.
Chronic tardiness or absenteeism
Feeling victimized or unempowered
Deception or lying

Inappropriate outbursts at office
Decreased team effectiveness
Increased error rates or accidents
Increased conflict with fellow workers
Poor decision making
Venting job frustration at home
Lower morale
Reduced risk taking
Blaming or defensiveness
Reduced honesty or directness
Poor communication or reduced trust
Brief irritation that diverts attention from work

LOW

DEGREE OF DYSFUNCTION
When people experience future shock, they don’t stop changing — they become more dysfunctional.

As the symptoms of dysfunction increase, the benefits of the results achieved by the change are decreased — productivity and quality suffer, which lowers efficiency, effectiveness, profits, etc.

Judging only the appearance of change without acknowledging the associated dysfunction can generate a distorted view of actual results.
CAPACITY VS. DEMAND

Future Shock

Degree of Increase

Capacity

Demand

Time
DEFINING THE SPEED OF CHANGE

- Each of us travels through life at a unique pace that allows us to assimilate the major changes we face. This is referred to as our speed of change.

People who demonstrate exceptionally high performance during periods of major change are usually operating near their optimum speed of change. When people are functioning at their optimum speed of change, they are absorbing significant disruption with minimal dysfunction.

PERFORMANCE DURING CHANGE

Minimal Performance During Major Change

Optimal Performance During Major Change

SPEED OF CHANGE

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

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

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

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

Although RESILIENT people respond less of a challenge than those who engage change, more often than not they:
- Regain their equilibrium faster
- Maintain a higher level of productivity
- Are physically and emotionally healthier
- Achieve more of their objectives than people who experience future shock
- Tend to rebound from the demands of change even stronger than before
SPEED OF CHANGE

LOW RESILIENCE
Time to Assimilate

Dysfunctional

Functional

Disruption

Recovery

Dysfunctional

Expectations ≠ Perceptions

HIGH RESILIENCE
Time to Assimilate

Dysfunctional

Functional

Disruption

Recovery

Dysfunctional

Expectations ≠ Perceptions

Expectations = Perceptions

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THE BASIC CHARACTERISTICS OF HIGHLY RESILIENT PEOPLE*

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

Focused
Have a clear vision of what they want to achieve.

Flexible
Demonstrate a special quality when responding to uncertainty.

Organized
Have a sense of easy to maintain order and quiet.

Proactive
Engage in actions that prevent against...

*The resilient character traits described here are used for personal development to foster resilience. This excerpt is not intended to harm or misrepresent any individual or group. It is a general guideline for personal development. Refer to books and journals regarding positive psychology for additional advice on resilience.
INTEGRATING RESILIENCE CHARACTERISTICS

- Positive
- Proactive
- Focused
- Flexible
- Organized

RESILIENCE
THE ODR® APPROACH TO MANAGING CHANGE

When implementing major change:

- The dysfunction produced should be your primary concern.
- Increasing the speed of change is our critical challenge.
- Maximizing human resilience is your most important goal.
A burning platform-type decision is at hand when the organization is facing a major (disruptive) change in which the cost (pain) for the status quo is prohibitively high.
POSITIVE RESPONSE TO CHANGE

I. Uninformed Optimism (Certainty)
II. Informed Pessimism (Doubt)
III. Hopeful Realism (Hope)
IV. Informed Optimism (Confidence)
V. Completion (Satisfaction)

PESSIMISM

TIME

Checked Out
KEY ROLES IN THE CHANGE PROCESS

Change Sponsor
Individual or group who legitimizes the change

Change Agent
Individual or group who is responsible for implementing the change

Change Target
Individual or group who must actually change

Change Advocate
Individual or group who wants to achieve a change but does not possess legitimization power
KEY ROLES: THREE BASIC STRUCTURES

Linear

Square

Reporting Line →
RELATIONSHIPS DURING CHANGE

THREE OPTIONS

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

<table>
<thead>
<tr>
<th>Type</th>
<th>Equation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-destructive</td>
<td>$1 + 1 &lt; 2$</td>
</tr>
<tr>
<td>Static</td>
<td>$1 + 1 = 2$</td>
</tr>
<tr>
<td>Synergistic</td>
<td>$1 + 1 &gt; 2$</td>
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</tbody>
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SYNERGY

Individuals or groups working together in a manner that:

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

- Willingness
  - Common goal
  - Goal achievement must require interdependence

- Ability
  - Empowerment
  - Participative management
PHASE I
Interacting
Surface Diversity

PHASE II
Appreciative Understanding
Value Diversity

PHASE III
Integrating
Merge Diverse Ideas

PHASE IV
Implementing
Initiate and Complete Action Plans

Based on concepts originally developed by Henry Nelson Wieman
HOW TO PREPARE YOUR ORGANIZATION FOR CHANGE
The MOC methodology addresses the four elements that are most crucial when managing change in turbulent times:

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

KEY ELEMENTS OF THE MOC® METHODOLOGY

DEVELOPING STRONG PERSONAL RESILIENCE

BUILDING IMPLEMENTATION ARCHITECTURE

INCREASING ORGANIZATIONAL READINESS

MANAGING ORGANIZATIONAL ASSIMILATION RESOURCES
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