



PART ONE

Mythology and Managing

A baby has brains, but it doesn't know much. Experience is the only thing that brings knowledge, and the longer you are on earth the more experience you are sure to get.

—The Wizard of Oz to the Scarecrow,
Baum, 1900, 1958, pp. 113–114

I open this edition with two chapters that form the bookends for this volume. Chapter One summarizes ten myths I have revised after fifty years of managing, consulting, and running a nonprofit network. They constitute advice to myself for leading in an era of accelerating diversity and change. You may agree with me or not. You cannot escape acting on your assumptions.

Chapter Two describes how I first learned to manage, discovered self-managing teams, and began on this journey in the 1960s. Had I not been socialized to “bottom lines” for a decade, I could not have written this book.

In the remainder of the book, I will show how my encounters with key figures in management history influenced the way I managed and consulted, and how, working in corporations and medical schools, I came to devise a practice theory I thought better fit conditions of increasing diversity and nonstop change. I also describe how I and others have applied it with surprising results around the world.



chapter
ONE

A Mythology of Organizational Change

Mythology—The body of stories associated with a culture, institution or person.

—The Visual Thesaurus

I begin this 25th Anniversary edition with ten stories I no longer believe. I gathered them during fifty years of working with businesses, medical schools, social agencies, and communities. Myths are real and they shape your behavior. I reframed mine over many years while interacting with students from computer science, criminal justice, education, engineering, finance, government, health care, marketing, manufacturing, and sales in Seattle University's Organization Systems Renewal master's program (formerly at Antioch/Seattle) and in Benedictine University's doctoral program in organization development (OD). Nearly all sought OD training because they wanted better myths for their lives and work. Several students have rewarded me with their stories for this anniversary edition.

Perhaps my description of the myths I have given up will help you put your own in perspective. Consider this a primer on how I would manage or consult today. Rather than save all my advice for later, I offer you "Alternative Stories" to whet your appetite for what follows.

Myth 1: Changes Are Sustainable

Sustainable change is an oxymoron. For years I believed I had a responsibility to “build in” follow-up mechanisms with organizations. These were intended to reinforce new leader behavior, solidify learning, make collaborative problem-solving instinctive, and promote a new culture as a “way of life.” Hierarchies were to be flattened like pancakes. In the 1970s I learned to admire companies like Hewlett-Packard, whose founders had cooked up an attractive recipe. My follow-up practice was long on team meetings, task forces, training, coordinators, and coaches. It fell short on longevity. Half the organizations I consulted with in the 1970s and 1980s no longer exist. Nor does H-P in the form I once admired. No organization lasts, no matter how dazzling your “interventions.” Of the thirty companies that became the modern Dow Jones Industrial Average in 1928, only General Electric is still listed. If you invest your life force in sustaining change, the only thing you are likely to sustain is a bruised ego and impaired idealism.

Alternative Story. I recommend seeing whether you can sustain new practices from one meeting to the next. Organizations change one meeting at a time. Their destinies entwine in a maelstrom of markets, technology, and world events that nobody controls. Your best strategy will always be to help people do the best they can now with what they have. If you seek a new “culture,” make every meeting congruent with the culture you seek. You can have it all now. Not the outcomes, but surely the processes you advocate. The goal of all projects ought to be giving *these* people, in *this room*, at *this moment*, opportunities they never had before. That’s structural change. It’s controllable. Keep doing this, and *you* will be sustainable, no matter what happens after the meeting. If you work at “building in” sustainable behavior in turbulent workplaces, you may burn out before the organization does.

Myth 2: Training Will Fix It

In the 1970s I believed with multitudes of colleagues that training everybody transforms organizations. We trained tens of thousands to supervise, manage, appraise, cooperate, set goals, give feedback, and participate in decisions. Such training took place in peer groups, lest people embarrass themselves with those above or below. Training was intended to help people change the way their companies operated. We kept getting people ready to

do what they never did. Indeed, many people transformed their relationships with spouses, children, and co-workers. Their companies—a tangled maze of policy, procedure, programs, controls, and technologies—went on doing whatever they did before. Individuals receive enormous benefits from training in leader behavior, self-awareness, cultural sensitivity, and personal skills. Organizations should offer all they can afford. Do not mistake training for organizational change.

Alternative Story. All people already have skills and knowledge they cannot use at work. They are blocked by job descriptions, their place in the pecking order, the location of their desks, the size of their turf, restricted information, and limited influence over working conditions. These structural issues cannot be altered through skills and awareness training. People improve organizations using what they already know to influence policies, procedures, systems, and structures. People motivate themselves doing projects that have consequences for the whole. Paradoxically, when you empower people to act together on business tasks, they often change their behavior. Measurable outcomes follow employees' influence in the design, control, and coordination of their work. Then training can be of enormous benefit. Fix structures first. Then watch how many people "straighten up and fly right."

Myth 3: Profit Rules

If making money were a rational motivator, then everybody would do participative work redesign and Future Searches (Chapters Twenty and Twenty-Two). That's where the big gains lie. For many executives the bottom line is power and control. Keeping control is much more comfortable than opening a system to who-knows-what, even to make more money, especially if you can keep shareholders happy with modest gains. For many executives, the perceived risks and uncertainty of broad involvement outweigh the evidence of significant financial benefits.

Alternative Story. An organization builds infinitely more economic strength empowering people to cooperate in keeping costs down and productivity up. Indeed, some firms embrace a "triple bottom line" that includes not only money but social capital and benefits to society. They invest a percentage of profits in developing their people and supporting

their communities. Which strategy attracts you? Watch yourself around people whose stated motivation is money alone. Nearly always they are the same people whose control needs are so great they cannot do what creates value in the long run. I did my most productive work with those who could imagine bottom lines beyond net profit. They used capital to benefit everyone.

Myth 4: Fortune 500s Are Forever

The Fortune 500s ought to be good places for organizational innovation. Consultants love claiming them as clients. Indeed, in the 1970s and 1980s they were good to me and my colleagues. Big corporations put organization development on the map. They paid well, changed fast, and needed lots of help. They enabled us to put our kids through college. In the 1970s many “personnel departments” adopted OD and experiential training. They became conduits for OD consultants at all levels. They were great places to practice the consulting art.

Over time, many of us came to realize Fortune 500s were among the least auspicious places for OD. I suggest three reasons. First, good OD requires continuity in leadership. Our projects rarely outlasted the managers who sponsored them. Two, good OD seeks systems integration. Even visionary executives are stuck with one department running technology, another cost control, a third human resources. Good execs know that the way to fix chronic coordination deficit is to put all parties into the same room. That many cannot do this stems from the “faster, shorter, cheaper” virus infecting public companies.

Alternative Story. It’s hard to make long-term improvements in firms that (a) are publicly traded, (b) pay quarterly dividends, and (c) churn executives at the top. If the quarterly dividend comes in a few cents below some analyst’s prediction, the stock price goes down. Billie Alban, who wrote the foreword to this book, once asked a multi-national CEO what he would do with a magic wand. “I would buy back the company’s stock,” he said without hesitation, “so I could invest for the long term and not have to dance each quarter to Wall Street’s pipes!” This is not to say you can’t do good OD in such firms. Only be aware that you are building for today, not for the ages.

It's worth noting an extraordinary exception. "Our long-term focus may be the wrong business strategy," warned the founders of Google, when they took public in 2004 one of the most successful start-ups in history. They proceeded to invest in robot autos and off-shore wind farms that might not pay off for decades (Liedtke, 2010). It's no coincidence that I did my most impactful strategic conferences with Berrett-Koehler Publishers, Haworth, IKEA, Resources for Human Development, and Whole Foods Market (Weisbord and Janoff, 2010). What had they in common? All had decades of continuity at the top and all save Whole Foods, which went public in 1992 and paid no dividends until 2003, were private corporations.

Myth 5: Organizations Learn

Organizations don't learn. *People* learn. Organizations have Alzheimer's. They have a hard time retaining experience. I believe this holds too for the "double loop" (learning how to learn) and "triple loop" (learning how to learn how to learn) variety. These concepts make engaging workshops with little long-term systemic impact (Bounds, 2009). This conclusion has led me to drop "Learning Organization" from the title of Chapter Six on Kurt Lewin's legacy. Lewin's priceless idea was not just learning by doing, but also "doing by learning." He saw workplaces as laboratories for collaborative "action research," a practice of systematic inquiry, on which I built a career. Inquiry may have been a way of life for many consultants, but not the clients. It is hard to institutionalize new norms amidst the turbulence. Norms—the unwritten rules of behavior—follow the leader. If organizations learned, Chrysler and Daimler-Benz might not have merged. If organizations learned, People Express Airlines, Bethlehem Steel, Digital Equipment, and Scott Paper would still be leaders instead of no more. If organizations learned, those who lived through Vietnam might not have taken on Iraq.

Alternative Story. I believe an organization's memory is no longer than the tenures of those in charge. I have spent years helping managers build great learning organizations that their successors took apart in months. I never met a new manager who said, "This place runs like a Swiss watch. I think I'll leave it alone." They all set out to improve what they inherit,

even if they make things worse. Do not imagine—whether you manage or consult—that any processes you establish will survive a change in leadership. My advice is to put away your illusions if you work in a place you cannot control. Today is the future. You cannot flatten pyramids for the ages or “build in” honest communication. Do your best to help people learn today with no expectations for next year. One benefit of *Future Search* (Chapter Twenty) is that those responsible for the present revisit the past together, reminding each other of where they have been. They also interpret their experience in light of world events. This sets the stage for systemic action—if those in charge choose to take it.

Myth 6: Layoffs Improve Bottom Lines

Wall Street loves layoffs. Costs go down, and the stock’s price goes up. Alas, the fix turns out worse than the problem. Rensis Likert (1967) called layoffs “liquidating human assets”—trading skills, experience, future capability, and competitive advantage for short-term cash. In earlier editions of this book I made a strong case against layoffs, especially in Chapter Nineteen on the rescue of AECL Medical Products. When I started working on this edition, during the worst recession since the 1930s, I reconciled myself to the ugly idea that secure employment, like fossil fuels, had no future. Some argued, for example, that job security and loyalty are artifacts of an old paradigm. A hopeful new one would focus on helping people keep marketable skills, stay mobile, and value what they do (Noer, 2009). I prepared to backpedal on my naïve idealism.

My mood changed when I read a *Newsweek* cover story by Stanford professor Jeffrey Pfeffer (2010). He noted that every airline save one laid off people after 9/11. The outlier was Southwest, the largest U.S. domestic carrier, with a market value greater than all its competitors combined. It had never in its history opted for an involuntary layoff. (It’s co-founder, the legendary Herb Kelleher, led the company for thirty-seven years, enabling it to avoid Wall Street madness.) Pfeffer cited study after study to bolster the case that layoffs incur hidden costs, hurt people, undermine the future, injure a company’s reputation, diminish its capacity to act, and reduce shareholder returns over time. “The facts seem clear,” he concluded. “Layoffs are mostly bad for companies, harmful for the economy,

and devastating for employees.” Pfeffer calls downsizing “copycat behavior,” a kind of contagion that infects companies. You can resist if you control your business. My father made it a policy for thirty-five years in good times and bad never to lay anybody off. You can see where I get my bias.

Alternative Story. If I were in a cost crunch now, I would take the AECL Medical approach—involve everybody in rethinking markets, products, services, and systems. I would push for across-the-board pay cuts to keep everybody employed. In this scenario, nobody loses jobs, health care, and homes nor ends up in a welfare line. All tighten their belts until the turnaround, when my company gains market share, increases profits, restores pay cuts, pays bonuses, and is the hub of a vibrant business community. Layoffs would be the last resort, when nothing else could save the company. Imagine a society built on that myth.

Myth 7: Hard Data Motivates Skeptics

Pfeffer mobilizes persuasive data in his case against layoffs. I detect little impact on businesses. I began compiling positive statistics when I noticed a 40 percent jump in productivity by the multi-skilled teams I started in the 1960s (Chapter Two). This book contains many more examples. Anybody who ever tried to influence skeptics with hard data knows how futile it is. If managers were rational, all companies would have employees designing their own work. Such involvement has been known for decades to produce gains of 20 to 40 percent in higher output and lower costs. Why “prove” that yet again in this book? I do it to reassure myself and other believers that we are not crazy. Never underestimate the psychic benefits of positive reinforcement. You can always test this proposition for yourself. Involve people and measure the results. That’s an experiment that skeptics, locked into self-fulfilling prophecies, are loath to do.

Alternative Story. There is a “shadow” side to the data myth. That is the fact that you can assemble statistics to prove whatever you please. You can find scientific studies for and against what you eat, how you heat your house, the way you get to work, and the toothbrush you use. (Electrics work best, but if you make and/or use them you increase global warming.) Pollsters frame political questions to obtain whatever answers they seek.

“Do you believe taxes are too high?” Resounding yes. “Would you support a tax cut if it meant poorer education for your children and more potholes on your street?” No, no, no. In the end, which data you choose to believe becomes an act of faith.

Myth 8: Diagnosis Solves the Problem

Many organizations rely on experts to diagnose situations and prescribe changes. Diagnosis means finding gaps between what is and what should be. Some experts will tell you how to close the gaps; others leave it to you. There are economic fixes, technological fixes, and people fixes aimed at every human failing. Sometimes closing one gap opens up another, for example, the computer system that saved nanoseconds while driving its users crazy.

Here’s a short diagnosis of the diagnosis myth by one who wrote an organizational diagnosis textbook still in use (Weisbord, 1978b). The first law of diagnosis is what you look for is what you find. Everything is there all the time. The second law is that there are more categories for things you can find than stars in the galaxy. If “resistance” is your hobby horse, for example, look no further than the next proposal for change. Costs are always too high, systems are always failing, and few people behave the way they should. Those who seek to remedy these situations by imposing programs invented elsewhere are sure to stir up resistance. The cure worsens the disease.

Alternative Story. Diagnosis, like “hard data,” is a trap for the unwary. While the problems you turn up may be real, fixing them may not make an organization better. If you want people to collaborate while they compete for bonuses, forget it. If you expect creativity in a hierarchy with seven levels of management, forget it. Only you can decide which categories require immediate action and which you can live with. A diagnostic model—for example, what categories will yield the best results with the least effort—is backed only by the experience of people authorized to apply it.

Labeling people “change resisters” or “in denial” is sure to evoke the behavior it predicts. “Isms” are everywhere. Learning to contain ourselves and act responsibly is a lifelong project. Interestingly, when people work together to fix economic and technological problems that affect everybody,

they often change their attitudes and relationships. If you seek to fix all diagnosable shortcomings before people can do good work, they will never do any work. Perhaps the most liberating thing I did for myself was to cut “defensiveness” and “resistance” from my vocabulary. I decided to work with people the way they are, not the way I wish they would be. The only proven strategy to workable implementation of anything is involving people in their own diagnosis and action planning.

Myth 9: The Technology-Saves-Time Myth

Human ingenuity is limitless. Creativity abounds. Inspiration may strike in an instant. Time, like old man river, just keeps rolling. Time is the world’s least renewable resource. When it’s gone, it’s gone. The shadow side of technology is that it fragments time. The more “labor-saving” technology you have, the harder you work overall. You end up doing more than you used to, in shorter and shorter time frames, at the expense of anything else that matters. PDAs go to the supermarket, out to dinner, to the golf course, and to the beach. I have an IN-BOX of emails daily, each calling for me to answer now, look at pictures, read a document, make a new friend, visit a website, or endorse a book that I have no time to read. “People sit in meetings,” noted an ex-partner of mine who was a corporate OD director, “balancing the art of listening with reading and sending messages on their BlackBerries and laptops. During breaks they attack their cell phones. Facebook. LinkedIn. Twittering. Texting. The meetings become secondary. They are merely the place to gather as everyone becomes more and more adept at juggling priorities at a frenetic pace” (Dupre, 2010).

Alternative Story. You cannot make a meeting longer without borrowing from whatever comes after. You cannot get back the days, weeks, or months spent on plans you can’t implement. Many of us run from one fruitless meeting to another, month after month, when three solid days spent with those who matter most to our work could simplify everything. The only way to check the validity of what I say is to try a three-day meeting instead of a new computer app when you want an implementable strategic plan. Discover how to do it shorter, faster, and cheaper without cutting corners

or driving everybody crazy. If you have the time, Chapter Twenty-Two will tell you how and why.

Myth 10: Meetings Undermine Work

The first thing I learned when I started consulting was the endemic cynicism people dump on meetings. Meeting jokes and cartoons abound. Q: “What’s the best way to avoid working?” A: “Call a meeting!” One reason you have so many meetings is that a lot of them really do waste your time. Meetings, like techniques, could care less how you use them. To what extent is your meeting fatigue traceable to PowerPoints nobody cares about? All major change projects, for better or worse, proceed via the reviled, maligned, and unavoidable meetings that everyone loves to hate.

Alternative Story. Meetings are the best shot you will ever have at making an organization better. Meetings of the right kind, that is. I’m advocating purposeful meetings, interactive meetings, meetings that matter, meetings where people solve problems and influence decisions. Whether you hold them live or online, you will be interacting with others for all your days in the workplace. My last bit of advice, like my first bit, is to make every encounter worth the time you put in. I’ll close with a short commercial. If you want to run productive meetings, check out *Don’t Just Do Something, Stand There!* (Weisbord and Janoff, 2007).

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“THE PUBLIC SECTOR IS UNDER PRESSURE...”

KOLDING, DENMARK—Some twenty years ago I was in a transition from working as a field biologist with marine systems to social psychology and counseling. My education was influenced by the Scandinavian tradition pioneered by Gunnar Hjelholt, the Danish applied social scientist (see page 109). I have since worked mostly within the public sector in Denmark as internal consultant on the basic education of new managers while supporting a network of experienced managers. I also have worked in my own praxis as a

consultant and trainer in Denmark and abroad; as a T-group trainer (University of Graz, Austria); and as a steering committee member at the Philosophical Institute, University of Aarhus, Denmark, for the master's program in Organizational Philosophy and the Ethic of Professional Work.

I also serve on the examining committee for the "Diploma in Leadership"—a bachelor-level certificate for Danish managers. Most are adult business school students working as in-job managers. Reading their work and exams, I have noticed some basic assumptions that seldom are explored in class:

- Everything is changing and is changing faster than before;
- Modern employees are self-managing and of a quite different sort than employees earlier in time;
- Leadership and management in the past were totally detail- and control-oriented, that is, management by fear;
- The solution to almost every problem today is innovation, with self-governing teams managed by dialogue and value-based leadership; and
- We have no time to work with what's really needed.

The last statement above has become a standard comment from managers. "Something needs to be changed, but we can (will) not take the time needed—because of 'the very fast-moving world' we live in." This perception, especially about social systems, is to me pure imagination; yet the assumption of stress strongly affects my clients. The public sector in Denmark is under pressure. I can understand their dilemma. Everyone wants something more from public workers. Their perceptions correspond with the working conditions. This does not help, of course, because we are working with human beings—even in groups and organizations—so taking the required time is important in some situations. I think that the students, who also are managers, don't always realize that being in a rush can be a nice way to avoid analyzing what's going on.

Moreover, for years I have read in older books all the statements about what's needed. It strikes me that the student introduction to

change literature today mostly includes only the “newest” books, often with a short (if any) summary of relevant themes other authors have explored earlier. At the same time I sometimes feel pressure from my clients to present something *new*. I can understand why. But in order to be professional, I will have to be both critical and helpful to relate in a meaningful way to my clients and students. It takes time to change one’s perceptions. If my point has validity, then we and our management education schools are in some danger in not introducing basic works of the past to the next generations. In this respect *Productive Workplaces* is a great guide for reflection on what is actually happening today in my work.

—Henrik Simmelkjær, consultant, former secretary of the
European Institute for Transnational Studies in Group and
Organizational Development (eit)