LEADING THE PROCESS

TOWARDS THE PROCESS CENTERED DEVELOPING OF WORK COMMUNITY
FOR ANNUKKA AND MIIKKA
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5. LEADING A PROCESS

At first I shall deal with leading an interaction process on the organization level, when the leader’s main responsibility is to lead the interaction and cooperation between units. The objective is to find a solution to leading independent units that have been created through decentralization. The utilization of the independence relating to units in a larger organization does not work by itself, but requires talent, skill and courage from the leader in leading the interaction of the cooperation forums that work on the basis of openness and equality. To establish cooperation forums usually requires agreement and support from the supreme management of the organization. I shall handle these questions towards the end of this chapter.

5.1. Leading the process in an organization

One of the most important tasks of a manager is to create a well functioning work community. Research concerning work communities and organizations has ever since the 1930’s showed that the delegation of power to the basic level is an effective factor in increasing work motivation. Later studies on organizations emphasize the effectiveness of small independent units in producing new ideas and in adjusting to changing circumstances. Managers that are used to the traditional line organization are in a puzzling situation: How can you lead an organization if you delegate the power to the basic level, and the units are allowed to work independently?

I shall try to describe the situation with the figure below.
The core in the traditional management model is the control that the managers exercise from above. The control concerns the objectives, strategies as well as the follow up of the results. In practice the control is carried out by putting the basic units under the obligation to report their actions and results to the management. By means of the reports the management follows how the units develop and how the objectives are attained, and interferes with the units’ work when necessary. The problematic nature of this kind of centralized exercise of power and its inefficac- tiveness in a fast changing environment has forced to look for new forms of organizations and exercise of power.

In any case, the task and the responsibility of the manager or the management is to pilot the whole organization towards the objectives. How should they then clear out the paradoxical situation where they for one thing should control the unit, and, on the other hand, where they should let it control itself? How can you control the direction of the organizational ship, if each unit is allowed to choose its own course?

The solution for the manager is to move from leading the organization and people to leading an interactional process. A manager’s task is to create a functional struc-
ture that makes it possible to continuously examine the internal structure of the unit and to continuously follow the direction of the whole organization without the manager interfering one-sidedly with the units’ autonomy.

A solution based on the foregoing calls for the creation of cooperation forums that function in each organization within and between the units (figure 10).

![Figure 10. The cooperation forum for organization management and various units. L = leader; O = objektive.](image)

A common meeting for the whole organization is the forum to which also other permanent or temporary groups report their plans, proposals and decisions in the same way as the units. This guarantees that the overall picture of the organization is always updated and that principally all members of the organization have a chance to sway. An organization that functions like this resembles a self-organizing network.

**To develop the forum is a difficult and time-consuming task.** The technical and practical problems deal with finding suitable time and premises for the meetings. From the financial point of view you will have to assess the
cost - benefit relation of the meetings, where the costs are easy to calculate, but where the benefit is acquired more slowly. The delay of the benefits brings up a third and perhaps the most difficult problem: how will the managers, the superiors and the personnel learn to use the common forums as an instrument for developing their work, the work community and the whole organization?

A forum consisting of the unit representatives of the whole organization is usually large, including tens, even hundreds of people. Very few of us have ever had a chance to get used to talking and acting in groups as large as these. That is why learning and adjusting takes a lot of time and practice. The development of skills and courage does unfortunately not guarantee the working of a large group in the direction of the basic task. Many phenomena connected to large group dynamics affect the members’ behavior.

A large group
- strengthens the members’ dependency on the leader,
- causes clustering and polarization,
- arouses strong feelings,
- may weaken communication between individuals and increase the feeling of isolation,
- may provoke people into exaggerated and extravagant reactions in order to become seen and heard,
- makes some people experience uselessness or impairment of the feeling of existence, because in a large group you do not speak to each other but to everyone present, especially if those present do not comment or react in any way.

On the other hand, a cooperation forum for the units offers many positive opportunities:

1. The management and each unit has a chance to tell each other about their own situation, their problems, courses of action, plans and ideas, and to get feedback. This is how everyone can get an updated view of the overall situation of the organization and its future prospects, and to think about the actions of the whole organization, its objectives, relations to the environment, to the
collaboratives, to clients or to outside administration. A forum of this kind also helps each person to link the needs, objectives, accomplishments and problems to the whole. Participation and an overall view gradually develops an identification with the organization as a whole and an extensive sense of responsibility.

A reliable overall view is essential in regard to work motivation and to meaningful work experience. Traditionally the starting point has been that it is sufficient for the organization management to have an overall view, which its decisions can be based on. If there are no common forums, also the reliability of the management’s overall view is questionable. This is not to say that the managers could not be subjectively convinced of the reliability of their personal views, but the views of their subordinates may be quite different, as organization research have consistently revealed (Perkka-Jortikka, 1992, 108-109; Argyris, 1981).

The management’s and the subordinates’ diverse views of the organization and its state do not mean that one them would be wrong and the other right. Both can be just as right, like Edward de Bono (1981, 7), a researcher of thinking and organizations, illustrates with an apt example:

“There is a story about a man, who painted the one side of his car black and the other one white to have an opportunity to enjoy contradictory testimonies of the witnesses in case of a car crash.”

The core of the story is that the people who have seen the car from different sides are both right, even if one claims that the car was white and the other claims that it was black. In order to create common social reality, “to see both sides of the car”, the management and the subordinates need a working cooperation forum (figure 11).
Figure 11. Diverse views (social realities) of the management and the personnel, caused by different organizational positions, meet in common forums, where common social reality is created.

When conflicts are brought to representative organs to be solved, the connection to the concrete situation, to the starting point, is lost. The representatives “know” that the conflict parties usually see the situation exasperatedly, black and white and only from their own point of view. This is known to apply to one’s own lot as well. That is why it is easier to reach compromises on the representative level, even if it does not correspond to the original circumstances at all: the representatives of the employers and the employees may agree that the car is gray, when each party has met halfway with the other! On the basic level it is, of course, hard to accept a compromise like this. This is how taking conflicts out of the organization or the work community, and letting representative organs solve them, prevents the creation of common social reality between various interest groups on community and organization levels.

2. In the organization meetings everyone has also the chance to ask for reasons or an explanation for an individual’s or a unit’s actions or plans, and to comment on them. The threat of having to give reasons for one’s actions as an individual or as a group, prevents already in advance unjust and selfish solutions, which will increase the morale of the whole organization (cp. figure 10).

When the control function moves from above to the units and becomes working on the same organizational
level, it means that the exercise of power becomes more democratic and that communal expertise can be utilized. The control that has traditionally been the responsibility of the management has motivated and made possible many kinds of individual and unitcentric selfish operations, which have contradicted the general interest of the organization (e.g. Virkkunen, 1990, 99-104, 109-110). The need and chances for these kinds of operations diminish decisively when the control becomes more democratic and the sense of responsibility grows. The best way for the management to support the control between the units is to direct its attention to the basic task of the organization. With new proposals and ideas the management’s task is to ask over and over again: How do they better than before help the realization of the basic task of the organization?

3. It is important to have a chance to handle the relations between individuals and especially between the units, matters like cooperation, competition and envy. In meetings for the whole organization the stress lays naturally on the relations between the units, and in meetings of the units on the relations between groups and individuals.

In a situation where units that are independent and have result responsibility and at the same time are dependent on each other and on the entirety, many kinds of conflicts and tensions are certain to arise. If no common forum is at hand, it will be the management’s task to face and solve these tensions. I don’t think it is hard to imagine how effectively the management group and superior level conferences succeed in it.

Human relation skills are unfortunately not part of the strongest features of the Finns, and that is why we either try to pass over conflicts - or if it is necessary - the management resorts to administrative solutions.

4. Organizational forums offer an effective solution to many problems of information flow. From the point of view of the managers’ schedules, it is hard to think of a better chance to get versatile, updated and reliable information of various units and people. Respectively, the
managers’ views and attitudes of matters that the units and the personnel are interested in can be brought up here. It is possible to check them immediately with questions.

Every member of the organization should be able to attend these meetings freely in accordance to his interests and within the limits of the situation in his own unit. If you choose permanent or temporary representatives, it will lead to representative democracy, which will not promote the establishment of common views and social reality on the level of the whole organization. **However, the management should be present in its entirety principally every time.** Their absence for light reasons will soon be interpreted as underestimating the forum. If this kind of an attitude spreads among the personnel, the forum loses its significance.

In the model for open decision-making, the organization meetings represent general meetings, which are the **most important** instrument in the development of decision-making, personnel commitment and the organization, when they are made efficient. The efficiency and benefit of the organization meetings depend decisively on the state and level of the basic units. If the basic units operate on the level of a unit without identity (see p. xxx), their personnel and management lack common courses of action, views, objectives and common social reality. The members of these kinds of units are not able to represent the views and aims of their unit in the organization meeting since they do not exist. If there are several units of this kind in the organization, it is not possible even in the organization meetings to create agreements and common lines that would persist on the basic level. The prerequisite for organization development and efficiency is the efficiency of the basic units and high level of the community.

The forums are also a practical solution for the management of information flow between the units. When R. J. Magjuka and T. T. Baldwin (1991) studied factors that affect the productivity of team work, they analyzed 78 teams in two organizations. The efficiency of the teams was estimated by both the superiors and the team
members. Three factors that most affected the productivity were

1. openness of information available for the group,
2. heterogeneity of the group’s tasks and
3. size of the group.

The teams’ free access to information was connected to good results. It improved the teams’ decision-making and narrowed the gap between the management and the workers. Information was the key resource for the working of the teams. Securing free access to information caused at the same time additional requirements for other units.

The heterogeneity of the tasks and of the members’ professions also increased the efficiency of the group, because versatile knowledge and skills helped to solve complicated problems. The size of the teams varied from 8 to 46 members. Unlike in previous researches, the efficiency of the group did not suffer from the growth of its size. Large teams were found to be administratively advantageous because the coordination of their cooperation took less energy, fewer group leaders were needed and to ‘target conduct’ the groups was not so difficult.

The researchers paid attention to the fact that financial rewards were not among the three factors that most affected efficiency. The team members received a 3.5 per cent bonus from the base salary. From the practical point of view it is noteworthy that the three factors are easy to regulate.

In public administration, to form profit units and to go on to profit salaries may even within a single administration lead to a competition between the units for resources, rewards and markets. In this competition the general interest of the organization or the administration suffers. Morton Deutsch (1985, 266), an American social psychologist, who has studied work communities that are founded on cooperation and rivalry, states that rivalry causes the following kind of effects on the relations between people and groups:

- Resort to tactics based on force, threat and deceit.
- Attempt to enlarge power differences in relation to other parties.
- Weak communication.
- Pass over common values and emphasize the opposing ones.
- Suspicious and hostile attitudes.
- Emphasis of questions that cause conflicts.

While relations based on cooperation lead to
- emphasizing the similarity of beliefs and attitudes,
- willingness to help,
- open communication,
- confidence and friendly attitudes,
- sensitivity to notice common interests and to leave opposing interests to the background, and
- increase of mutual resources rather than of power differences.

Deutsch claims that the operations models described above also generate rivalry or cooperation.

**Leading the process in an organization that undergoes decentralization**

Economic recession together with reforms in the legislature have speeded up the winding up of large public administration organizations like the federations of municipalities. To break off a federation of municipalities leads to the breakup of the traditional cooperation forums between the municipalities. The need for cooperation has, nevertheless, not diminished, but it is rather growing.

Now we need new kinds of cooperation forums where independent municipalities can develop and coordinate bi- or multilateral service or production activities possibly together with the private sector. To learn new kind of cooperation it is hardly sufficient to meet every now and again or when the need arises. To establish mutual trust, to learn a common language and to create common social reality require forums that meet often enough and regularly.

The main reason for breaking off the system of federations is probably their expensiveness. However, high costs are only a symptom that conceals certainly many reasons. I would presume that the closed representative model of the administration and management systems of
the federations is one of the reasons in the background. When new models for the cooperation of the municipalities are being established, openness and democracy of the cooperation and decision-making forums should be guaranteed.

To change just the structures will not ensure the desired end result. The cooperation forums should be created into organs that are capable of open communication, open interaction, and of developing their own actions. Thus the role of the chairperson becomes central.

Not only does the administrative level need cooperation, it is also needed on the basic level of the decentralized federations of municipalities. The cooperation between the units within the federation has to be reorganized both inside the municipalities and between them. Traditionally decisions have been based on the negotiations between the elected officials and the civil servants. The basic level has only had a nominal chance to influence. At the same time when more contribution, responsibility and commitment is expected from the basic level, their chances to influence have diminished. This leads to deteriorating trust between the administration and the basic level.

Inadequate information tends to increase insecurity and distrust in the personnel, which will unavoidably affect their work with customers, patients, disabled, students or children. To control the process of change would require open flow of information, regular common discussion forums for the administration, management and the personnel, where they can analyze the situation and seek working solutions. This is how process centered holism would be realized, and it would guarantee that each member of the community would be able to form an updated overall view and that the knowledge, skills, and experience, that is, the creative capacity of each member would be utilized in the change process of the organization.

To keep power and responsibility with the administration and management is, of course, based on legislature. Legislature does not, however, form any impediments for the management to organize the cooperation fo-
rums described above, and to exercise the power granted by the legislature to carry out the plans and decisions that have been worked out together. In common forums the grounds for plans and decision-making become larger and more versatile: money is no longer necessarily the only, and by far not the most important criterion. Even though to use large cooperation forums takes time and causes expenses, the benefits they produce through the personnel’s motivation, creativity, and commitment to even painful solutions, may prove greater than the expenses.