
GALLERY OF SUCCESS



CLIFTON L. SMITH, INC.
MANAGEMENT & ORGANIZATION DEVELOPMENT CONSULTANTS

OUR THANKS

WE BELIEVE THE BEST WAY TO DESCRIBE WHAT CLIFTON L. SMITH, INC. DOES, IS THROUGH THE CHALLENGES WE MEET IN THE ORGANIZATIONAL ENVIRONMENTS OF OUR CLIENTS. WE ARE THANKFUL TO ALL OF THEM FOR ALLOWING US TO PARTNER WITH THEM, IN THE ORGANIZATIONAL EFFECTIVENESS EFFORTS FROM WHICH WE HAVE LEARNED SO MUCH ABOUT CHANGE. THESE VALUED PARTNERSHIPS HAVE HELPED US TO DEVELOP OUR EXPERTISE, AND THE MODELS OF INTERVENTION WE DESCRIBE IN THIS STATEMENT OF OUR CORE COMPETENCE AND CAPABILITY.

□ *What is the track record of CLSI? What problems have they tackled in the past and with whom?*

*GALLERY OF CLSI SUCCESS:
OUR CHALLENGES
OUR RESPONSES
OUR RESULTS*

A. BROKERING STRATEGIC PARTNERSHIPS BETWEEN STAKEHOLDERS

The Challenge: In 1988 CLSI was retained to facilitate a working agreement between five major stakeholders in AT&T's Data Networking Enterprise. The problem centered around a corporate decision to place two distinct System Packet Switches into the data communications network. There were many incompatibilities between the two systems that gave rise to interim solutions generated among the various stakeholders. Conflicts emerged because of the extended life of the interim technical solutions resulting in negative and competitive behavior among the stakeholders in the data networking enterprise.

The CLSI Response: CLSI's role in this intervention was to broker a strategic partnering process for the top management from five stakeholder organizations. The first step in the process was to conduct an assessment and diagnosis of the problems at the interface and formulate a set of recommendations for design changes at the interface. Next, the CLSI team facilitated a series of meetings where the leadership received just-in-time training in clarifying organizational issues, listening to each others concerns over unhealthy competition, establishing mutual goals and regulating problem-solving interactions among their organizations.

CLSI was responsible for supporting the key stakeholders in developing a set of problem statements, goal statements and standards by which each organization assesses the attainment of mutually established goals for change. Later, CLSI designed and delivered a Conflict Management Laboratory/Workshop and follow-up sessions involving cross-organizational teams of managers and non-managers. The workshop was designed to train the participants in how to manage conflict and healthy confrontation on an on-going basis.

The Results: The intervention resulted in a successful on time merger of products that established an on-going problem prevention process. As a result product developers and internal customers began to address issues related to pricing, features and priorities on product maintenance.

B. MANAGING CONFLICT AT THE BUSINESS UNIT INTERFACE

The Challenge: In 1989 CLSI undertook a major and complex multi-year intervention with AT&T's General Business Communications Systems Business Unit. The unit was responsible for delivering new system management products consistent with products already introduced in the marketplace and meeting budget guidelines established for business unit profitability. The contributors to the value added chain were spread among three different organizations: Systems Engineering, Product Management and Development.

The CLSI Intervention: The CLSI team's relationship with these clients began in 1989 with a comprehensive assessment process in which the leadership of each organization determined that it would address five major concerns at the business unit interface: 1) The frequency of reports of conflict episodes among employees at the interface was too high. 2) Problem-solving was continually escalated to higher levels of management within each organization. 3) Employee beliefs and attitudes about stakeholders and other units in the value-added chain were barriers to strategic partnering. 4) The leadership needed skills in managing differences in work cultures, orientations and delivery cycles and 5) The leadership needed to negotiate and clarify mutual expectations.

This intervention gave CLSI an opportunity to pioneer in a unique approach designed specifically for organizations that must satisfy their internal and external customers through improving the quality of the products and services they provide in value -added interchanges at the organizational interface. The need for such an intervention exists because most corporations target their process quality management improvement programs on classroom training focussed on interventions a manager can structure in his/her own unit. Missing here is the real time application of learning in the work environment and at the organizational interface where conflicts of interests among the various contributors in a value added chain must be effectively managed.

The Results: The CLSI intervention had three main results: 1) Top management from each organization met with skilled CLSI third-party consultants to de-escalate the conflict and establish mutual goals for change at the interface. 2) CLSI designed and delivered just-in-time training to representative teams of managers and non-managers from each organization that helped them to diagnose the root causes of their conflict, share expectations for joint problem-solving, and define the conditions within which the partners had to achieve and share success. 3) CLSI designed a steering team that was assigned ownership of the conflict management process, and the accountability for broadening the base of support for constructive confrontation within their respective organizations. The intervention resulted in improved time-to-market product delivery, stabilized relationships at the interface, and reduced costs in meeting product marketing objectives.

C. MANAGING TRANSFORMATIONAL CHANGE

The Challenge: Starting in 1988 CLSI designed, developed, and implemented a multi-year intervention for AT&T's Computing Technology Center. This multi-site center employed over 750 employees with revenues in excess of \$100 million annually. This client is an internal computing and service provider to the Research and Development organizations of AT&T, which provide the technology base for AT&T's present and future business. The Center is a part of Bell Laboratories' Quality, Technology, and Process Research Area. It is a service organization, and is an internal cost center. The pressure to reduce cost is intense. However, its customers continue to need more and higher quality services.

Table 1., shows the distribution of employees among the several technical and administrative/program management roles.

TABLE 1. A Distribution of Employees Among Technical, Administrative And Management Roles

Classification	Number	Typical Degree	Bargaining Unit
Technical	207	MS	No
Administrative	317	BS	No
Clerical	117	12yr	No
Contract	82	N/A	At one site
Total	723		

The key quality requirements for products and services are low cost and high reliability. Other important considerations are availability, capacity, consulting and counseling, customer controlled service, convenience of use, problem resolution time, and responsiveness to the need for change.

The major customers are members of the AT&T Research and Development community usually located at a specific site. Some of the customers are world-wide organizations, however, and the center provides them services beyond the traditional Research and Development boundaries (e.g., factories, AT&T-wide networks).

This client's value addedness is the planning, integration, and operation of its vendors' products. The client's suppliers' quality is thus a critical success factor. Several vendors of hardware and software are sole-source providers. The major suppliers are purveyors of computer hardware, software, and maintenance – Amdahl, IBM, SUN Microsystems, AT&T, Hitachi Data Systems, Memorex, DataSwitch, and QMS. The client conducts millions of dollars worth of business each year with these and other smaller computing resource vendors.

Other important suppliers are Bell Laboratories Area 7 for physical plant, financial services, power systems, cooling systems, and AT&T Telecommunications Services Center and regional telephone companies for phone lines and service. The client manages assets worth more than \$100 million, of which client owned \$20 million and leased the remainder.

As an internal information technology supplier to AT&T, the client must offer its customers "Commercial Partnerships with Full Choice." In the recent past this client had a captive customer base; however, now its customers are encouraged to seek the best internal or external deliverer of service. At times, this client's customer determines that they themselves will provide the service. Although the client is an internal service provider, survival in a highly competitive business environment is a must.

The CLSI Intervention: CLSI's relationship with this client began in 1988 when its top management expressed interest in building closer working relationships among geographically arranged sub-units. The intervention began with the conduct of a set of diagnostic interviews with the center management team. Next, we used the results of the organizational diagnosis in facilitating a team development/strategic planning program that resulted in the management team determining that it would embark upon a results driven process to transform the center into a more customer driven organization to achieve greater economies of scale by delivering services across new, more comprehensive boundaries. The organization designed based solely on geography had caused duplication of efforts and battles over turf. The leadership determined that it would follow our recommendations on a results driven approach that used just-in-time training to support the attainment of specific goals like – designing processes to be used to deliver services across geography in order to delight customers, employees, and suppliers. Later, the preferred arrangement of organizational resources was named the "Desired State".

CLSI was responsible for designing the process called Interface described in Section 5 of this Statement. The three phases of the process, Assessment, Design and Performance Management provided the model by which the leadership transformed the organization into higher performance. By the end of 1990 the leadership determined that it would speed up the organization and integration of teams directed toward achieving its desired state. The rate of progress toward the desired state was initiated by feedback on a Baldrige report prompting the leadership to undertake a more aggressive path to change.

As consultants to this organization, we were accountable for conceptualizing the organization's development process and providing personnel to develop, conduct and evaluate just-in-time training courses and seminars for the leadership team.

Our first steps in responding to the client's request for increasing the rate of organizational change was the design, development, and delivery of the ITO Desired State Workshops.

These helped the leadership to introduce those selected changes in management style, service delivery, and objective setting that were hypothesized to have potential for speeding progress toward measurable goals. Drs. Robert Rippey, Charles Thomas, and Susan Lourenco were the team members selected to deliver services to this client over this multi year period. The highly effective Change Team Development Workshop Meeting Design, June 18-20, 1991, demonstrated our competence at mixing theory presentation, discussion, and application in just-in-time training approaches. There were three documented outcomes of this five year program:

The Results:

- 1) LOWERED COSTS,
- 2) INCREASED QUALITY, AND
- 3) TRANSFORMATIONAL CHANGE.

As shown in Chart 1: Increased Quality, their scores, by 1992 on the Baldrige, had improved almost 100 points each year after the 1990 start. Additionally, they were above the national average MBNQA score, and within about 100 points of the 1991 national award -winners' range. But that's not all. As stated earlier, our work with the Center began in 1988. By 1990, the Change Leadership Team had begun to manage Center performance using the Malcom Baldrige criteria and the examination results were remarkable. As can be seen in Chart 2: Lowered Cost, the Center's total costs continued to decrease, with a significant decrease projected for the year of 1992.

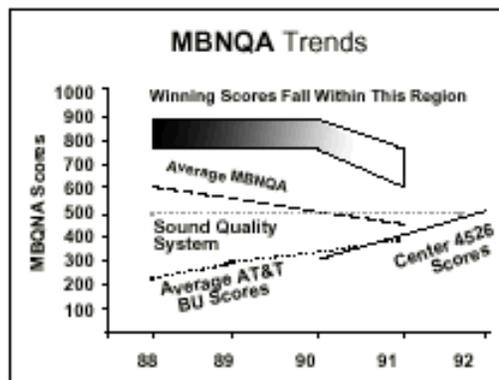


Chart 1: Increased Quality

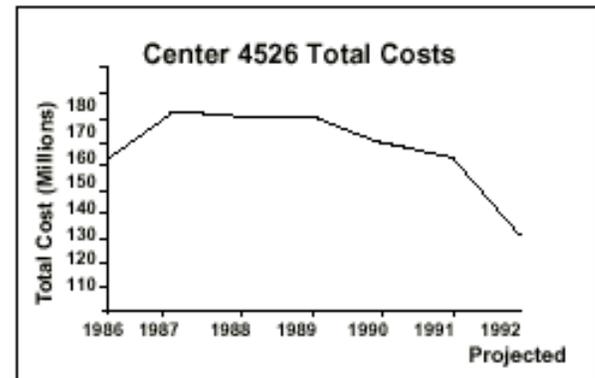


Chart 2: Lowered Costs

The results for transformational change can be observed in the data comparisons in Table 2 are taken from the 1991 and 1992 Stanek surveys which were used as the basis for evaluating change in Dedication to Customers. During this period, the organization experienced a 24% reduction in responses to the survey (from 348 to 280). Substantial improvements were shown in nine out of 14 Stanek categories which were: 1) quality process, 2) dedication to customers, 3) supervision, 4) pay and benefits, 5) teamwork/working relationships, 6) competitive position, 7) job satisfaction, 8) communication, and 9) evaluating performance. All of the above except number 4 were related to the objectives of the Interface™ efforts.

Two objectives showing no change, were 10) management leadership and 11) company image. Since the aim of Interface™ is to empower persons at lower levels of the organization, increases in item 10 would not be expected.

Company image changes would be expected to lag behind performance improvements and therefore would not be apparent at the end of a one year interval. Declines were noted in the categories of: 12) employment security, 13) training and development, and 14) integrity. The decline in employment security was undoubtedly related to economic decline and general anxiety over the job market in 1991 and 92. The decline in training and development was probably related to the fact that more time was being spent on less technically oriented training in the 1991-2 interval. Integrity did not appear to be a problem at the time of the Interface™ program design and was not included as an aim of the developmental program. If this continues to be an issue, it could become an objective for further training.

Of particular interest to the client and therefore, dominant to the goals of the Interface™ program were the categories of "dedication to the customer" and consequently, "customer satisfaction". Four items from the Stanek survey emphasize these gains.

**TABLE 2. A COMPARISON OF CENTER 4526 1991-92
(STANEK) ORGANIZATION ANALYSIS SURVEY
REPORTS ON CATEGORY 3: DEDICATION TO CUSTOMERS**

ITEM	FAVORABLE RESPONSES		
	% 1991	% 1992	% Gain
38. My organization's emphasis on quality has resulted in measurable improvement in customer satisfaction.	51 (N=177)	58 (N=161)	7*
62. I have the authority to make decisions and take actions to meet customer needs.	58 (N=197)	68 (N=189)	10**
63. Management of my business unit/division focuses on the customer with actions as well as words.	51 (N=174)	57 (N=157)	6
64. My business unit/division understands customer needs.	41 (N=140)	52 (N=144)	11**

Statistical significance:

* P < 0.03

** P < 0.01

In the spring of 1992, the Computing Technology Center submitted for review a Malcolm Baldrige National Quality Award Application and Examination. Later that year they were awarded the prestigious Bell Laboratories President's Quality Award from among some 400 Baldrige Applications and Examinations.

D. LEADERSHIP TRANSFORMATIONAL CHANGE, AND THE RESTRUCTURE OF AT&T

The Challenge: The Group Technology Officer (GTO) Organization is a collection of highly skilled people who have historically championed technical work that does not fit easily into the existing structure and processes of the parent organization in which it resides. They invent solutions that create and support new and improved operational capabilities for the parent organization. Although the work processes they own are at the cutting edge of their Group's organizational strategy, the normal budget processes are not in full support of the activities. The top GTO organization leadership had undertaken the challenge of gaining clear recognition and integration of the organization within the parent organization's mission and processes. The first meeting of middle Managers and above in this newly evolving Group Technology Officer organization was convened in June, 1995.

The CLSI Intervention: CLSI was retained to implement an organization development process that would effectively combine team building and strategic planning as a means of managing the resistance and the cultural changes that were anticipated as a result of the people operating under a common mission. The three phased program process supported the leadership team in meeting the concurrent needs for developing the GTO organization, and for responding to the challenges posed by the impending restructure of AT&T.

Phase I of the organization development program was initiated through a intensive three day Team Building and Strategic Planning Work Conference. The results of the Phase I Work Conference were as follow:

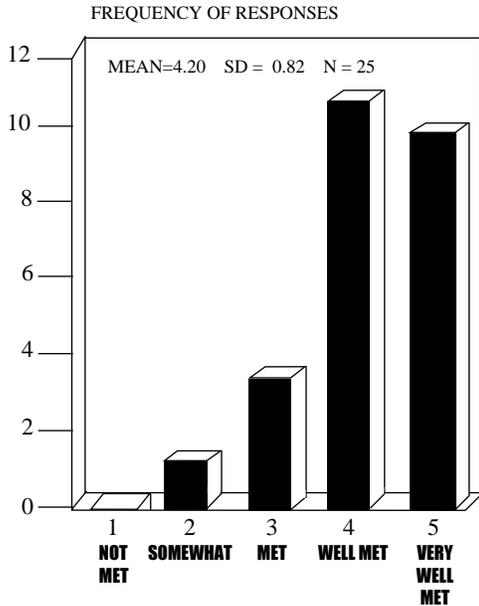
- 1). The Determination of the Core Mission Of The Group Technology Officer Organization as evidenced by the written statement
- 2). A Direction was set for the Group Technology Officer Organization as evidenced by the team's written description of the desired state of the GTO organization

Phase II of the program was conducted just one week after the restructure of AT&T was announced and the objectives of this phase were reflective of the realities that faced the organization. The process supported the leadership in defining realistic transition options for addressing the critical thrust of the new AT&T. There was an identification of the critical set of issues to be resolved in attaining the GTO Desired State. Finally, the process helped the leadership to build an enthusiasm for capitalizing on the opportunities that laid ahead for the newly formed GTO organization.

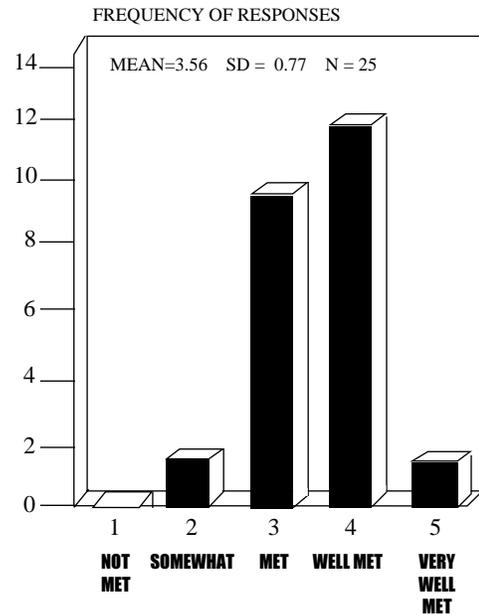
The Results:

Phase III of the program used a three Level Work Conference that was designed to convey the sense of urgency among the remainder of the management team so as to support all GTO people in preparing for the transition. Figures 1 - 5, show the evaluation results of this Three Level Work Conference from the perspectives of twenty five GTO organization managers.

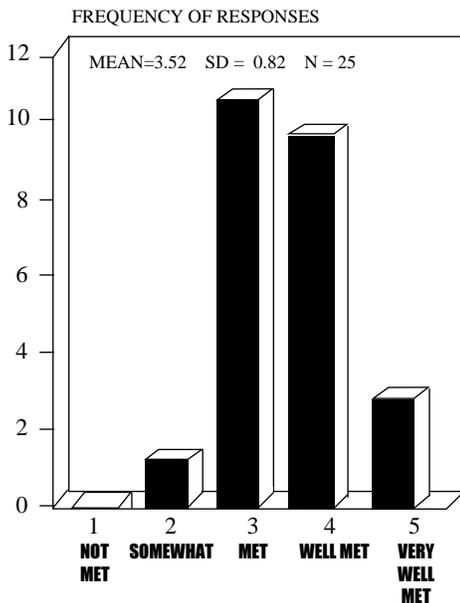
1. COMMUNICATE URGENCY OF NEED FOR CHANGE OF GTO ORGANIZATION SIGNALLED BY CORPORATE ANNOUNCEMENTS



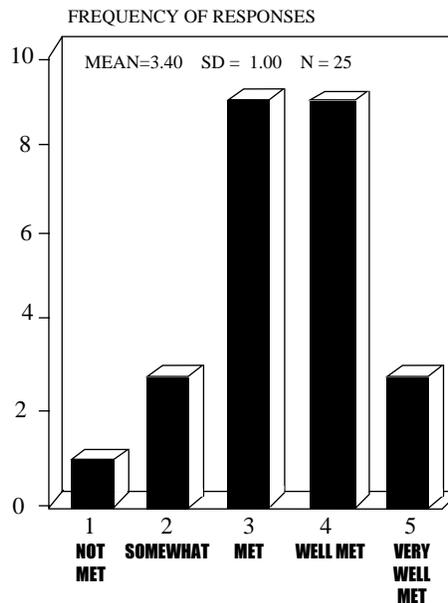
2. PRESENT LEADERSHIP DEFINITIONS OF TARGETED FUTURE STATE WHICH WILL ADDRESS CRITICAL THRUSTS OF THE NEW AT&T



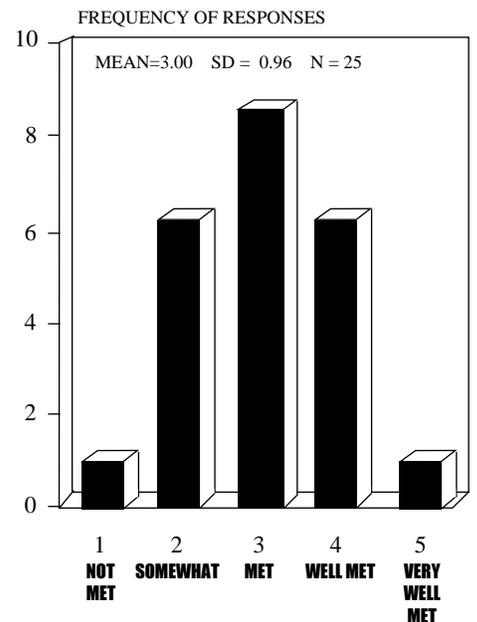
3. IDENTIFY THE CRITICAL ISSUES TO BE RESOLVED IN ATTAINING THE GTO DESIRED STATE



4. BUILD ENTHUSIASM FOR CAPITALIZING ON THE OPPORTUNITIES WHICH LIE AHEAD



5. DETERMINE WHERE WE GO FROM HERE



E.MANAGING TRANSFORMATIONAL CHANGE IN A FEDERAL GOVERNMENT AGENCY

The Challenge:

reorganization of the United States Department of Agriculture. The new Council sponsored by USDA Office Civil Rights Enforcement (OCRE) is structured based on USDA mission areas, professional organizations and special emphasis groups. The Council has determined that it must improve performance in its Civil Rights Policy Recommendation Process and pursuant to this goal has issued a Statement Of Work that describes two fundamental needs of the newly formed Council:

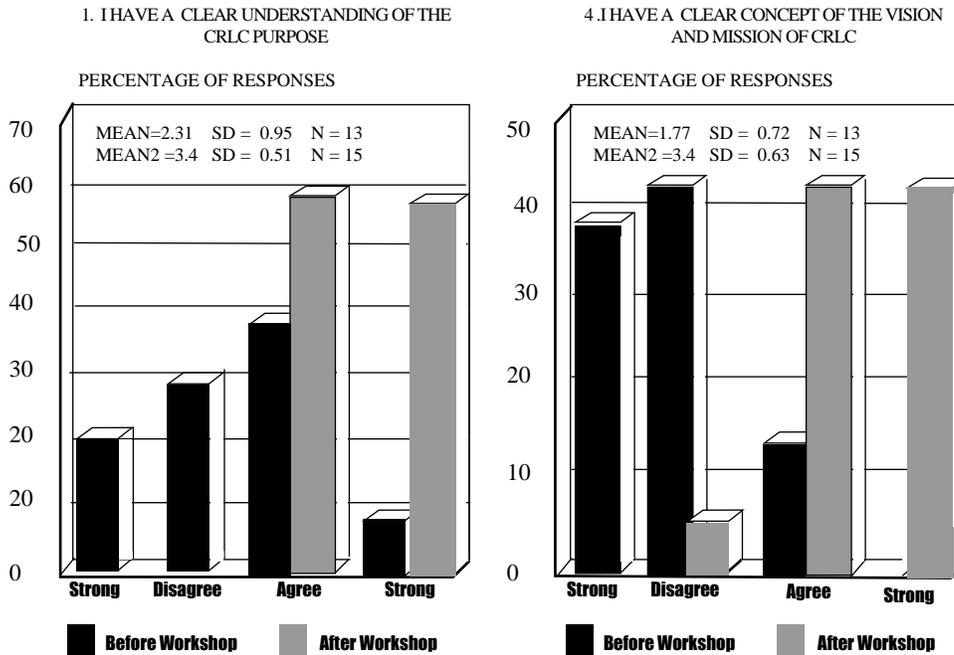
- (1) to become an effective team that feels empowered to make Civil Rights Policy and Goal recommendations to the Office of Civil Rights Enforcement
- (2) to build a comprehensive framework for formulating and recommending USDA Civil Rights policies

The CLSI Intervention: CLSI has recently developed a new program in response to the needs of its clients, OCRE and CRLC. When Congress passed the Government Performance And Results Act Of 1993 (GPRA), it meant to reform managerial accountability and improve the effectiveness and efficiency of all programs within the Federal government. OCRE, like all other Federal agencies, is connected to this Law; in fact , OCRE is the only civil rights agency that has been designated as a pilot program in the federal government. OCRE views its GPRA pilot project participation as an opportunity to re-examine and prioritize the agency's mission and goals, develop a team approach for problem solving, and explore new approaches for developing and measuring civil rights activities.

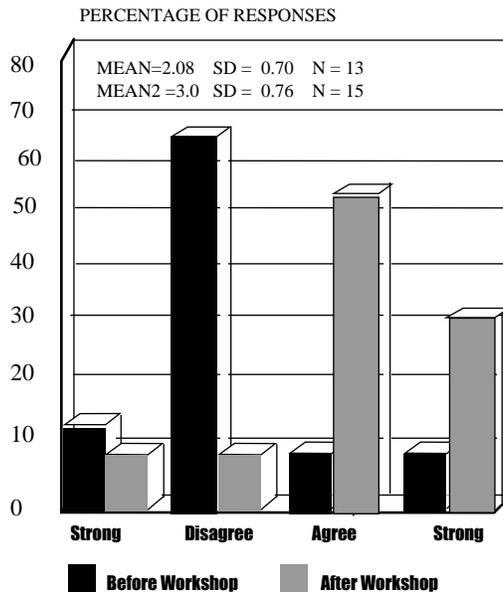
CLSI designed a program for assisting OCRE in responding to emerging challenges. The strategy combines three organization development approaches: 1)Team building, for managing the rapid change of OCRE, 2) Strategic planning, for determining a direction, and improving OCRE performance, and 3) Managing organizational interfaces, for negotiating and changing relationships with OCRE's key stakeholders and partners in the delivery of services. Strategic Operational Planning Work Conferences For Managers and Supervisors is a program through which the leadership learned how to operationalize the strategic vision, mission, and goals of of OCRE at all levels. Delivered on a quarterly basis, this second level to the strategic direction setting process is CLSI's approach to ensuring that the leadership's strategic objectives are shared, translated into operational objectives, measured by clear performance management objectives, and implemented by each and every member of the organization.

The Results: The program evaluation as shown in Figures 1, 4, and 7 demonstrate two major outcomes:

- 1) The program resulted in dramatic changes in members perceived understanding of the Council’s purpose, process, mission, and vision.
- 2) The program did provide a framework for formulating and recommending USDA Civil Rights Policies.



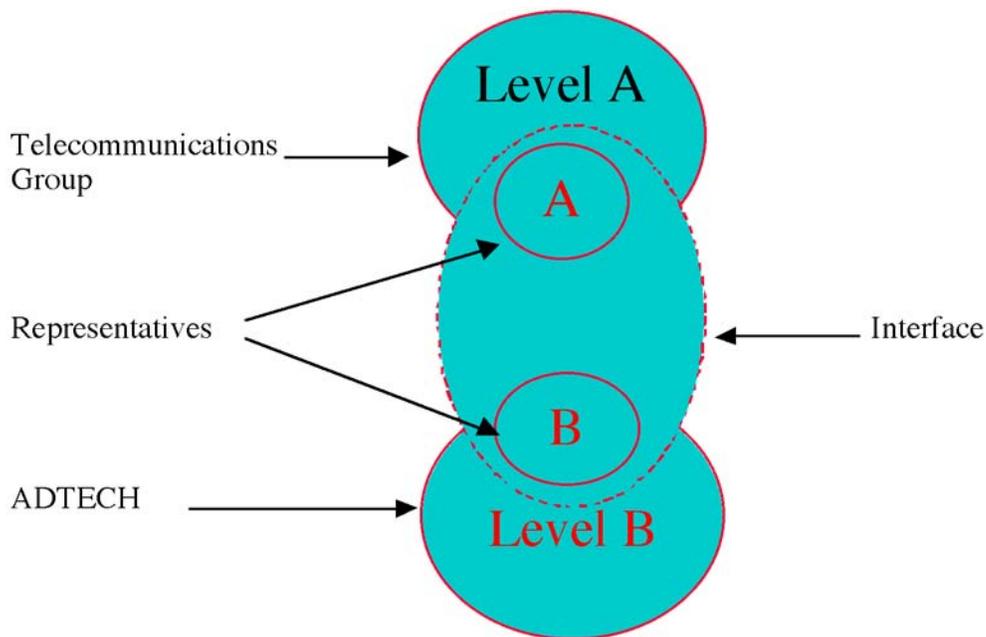
7. I HAVE A CLEAR UNDERSTANDING CURRENT USDA PROCESS FOR DEVELOPING CIVIL RIGHTS POLICY RECOMMENDATIONS



F. BROKERING GLOBAL ACQUISITION INTEGRATION IN A TWENTY-FIRST CENTURY BUSINESS

The Challenge: The Telecommunications Group is one of the five major businesses of its parent company Bowthorpe plc. This client has a rapidly growing enterprise, that is establishing through acquisition, a global leadership position in the telecommunications systems test equipment business. Cultural differences between the parent and acquired company gave rise to conflict over management incentives and succession planning that linked the parties in a cycle of perception, communication, and action with a potential for obstructive uses of power. Breakdowns in communication with this most profitable of the companies in the group, signaled the Group leadership that the conflict at the organizational interface required their highest level of attention. They retained CLSI to assist them in addressing the problem.

The CLSI Intervention: We began this intervention with an assessment of the interface between these two levels within the corporate hierarchy. The relations between Bowthorpe Telecommunications Group and ADTECH are illustrative of problems of conflict at the level interface. The two organizational units called the parties to the interface hold both differing and similar interests resulting in an interdependent fate that induced them to interact. The CLSI report, explored two central questions that were pertinent to the analyses of the Telecommunications Group/ADTECH interface: (1) what are the interests of the parties? And (2) what internal party characteristics influence interest and events? Figure 2 a frame work adapted from L. David Brown (1983) depicts the critical elements of the interface and served as a tool for assisting the clients in analyzing the level interface challenges.



Level Interface Elements: As shown in Figure 2., representatives (smaller circles) speak for parties (larger circles) at an interface (oval). Party A at this interface is the newly established Bowthorpe Telecommunications Group. The group is comprised of a set of companies with core competence in the design and manufacture of telecommunications system test equipment. Party B at this interface is ADTECH, one of the most profitable among the group of companies.

Both organizational tasks and the distribution of formal organizational power define level interfaces. The central organizational tasks are defined by ADTECH's membership in the newly organized Bowthorpe Telecommunications Group. The parties to the interface are formally unequal in power because of the level itself and furthermore, the distribution of power is of central concern to the parties.

Based on our data gathering and an assessment, CLSI recommended that the leadership adopt the Dialogue Approach for either resolving or managing the conflict. Dialogue means that the parties directly engage each other and focus on the conflict between them including aspects of their relationship itself. The core strategy entails the promotion of productive conflict to counteract two likely yet avoidable destructive dynamics:

- 1) Telecommunications Group dominance or abdication, and
- 2) Member company withdrawal or submission.

The Phase Two Intervention: Because either result posed serious threats to the continued success of the Telecommunications Group, CLSI conducted interviews with representatives from both Telecommunications Group and member company organizations. We analyzed four interface elements to assist the representatives in understanding their interface conflicts: (1) the interface itself, (2) the parties to that interface, (3) the party representatives, and (4) the larger context. We found evidence of abdication and apathy. Both Telecommunications and acquired company representatives had expressed the perceptions that the other party could be neither influenced nor educated, and there was a generalized withdrawal from joint problem-solving activity. CLSI facilitated a two and one half-day conflict management laboratory designed to change the interaction of the interface representatives through altering representatives' perceptions communications and actions.

The Results: Segments of the dialogue intervention were designed to enable representatives to learn about the mixture of their conflicting and common interests at the interface. The representatives made commitments to continue the dialogue they started at a series of planned two-day quarterly meetings focussed on on-going problem solving and strategic planning for the Telecommunications Group. There was agreement on a set of joint criteria by which the leadership will judge the adequacy of a plan for management succession at the acquired company. They developed a set of nine mutually agreed upon principles that will guide the development of an incentive plan that serves as a model for the Telecom Group as well as a vehicle for altering parent company incentive plans. The group was able to retain the acquired company leadership team intact which was considering resignation if the conflicts remained unmanaged.

That year, the acquired company achieved the highest growth in profit in its history.

G. MERIDIAN HEALTH SYSTEMS: ORGANIZATION DESIGN/EXECUTIVE CONSULTATION

The Challenge: Meridian Health System, the largest system in New Jersey. Meridian Health System is comprised of Jersey Shore Medical Center, Neptune, Medical Center of Ocean County, Brick, and Riverview Medical Center, Red Bank. Together, there are more than 72 locations throughout Monmouth and Ocean counties, including nursing homes, home care agencies, assisted living facilities, ambulatory care centers, ambulance services, and related wellness and fitness services.

The CLSI Intervention: When we began our work with the Corporate Government and Community Relations, with an assessment of how the system had grown to its size as a result of ongoing mergers and acquisitions. There were overlapping functional initiatives with little if any synergy among them. The acquired entities came with their own stand alone functions that were designed to meet only targeted customer needs-- little attention to system wide needs. Each acquired entity brought its own assumptions about how differentiated and how integrated these functions should be.

The Results: As consultant to Meridian Health System, we facilitated a participative organization design of Community Health Services for the Vice President, Government, and Community Relations unit that resulted in a Meridian Health System Government and Community relations function that was fully integrated at the corporate level. Two alternatives for the analysis of the newly acquired resources were developed to assist senior executives in making strategic choices about the organization of Community Health Resources in the future:

- 1) Figure 1. depicts the set of identified structural relationships among the various components.
- 2) Figure 2. The Overlay Organizational Design, depicts the functioning of the Community Health Resources system and its allocation of its human resources

Figure 1. Structural Relationships

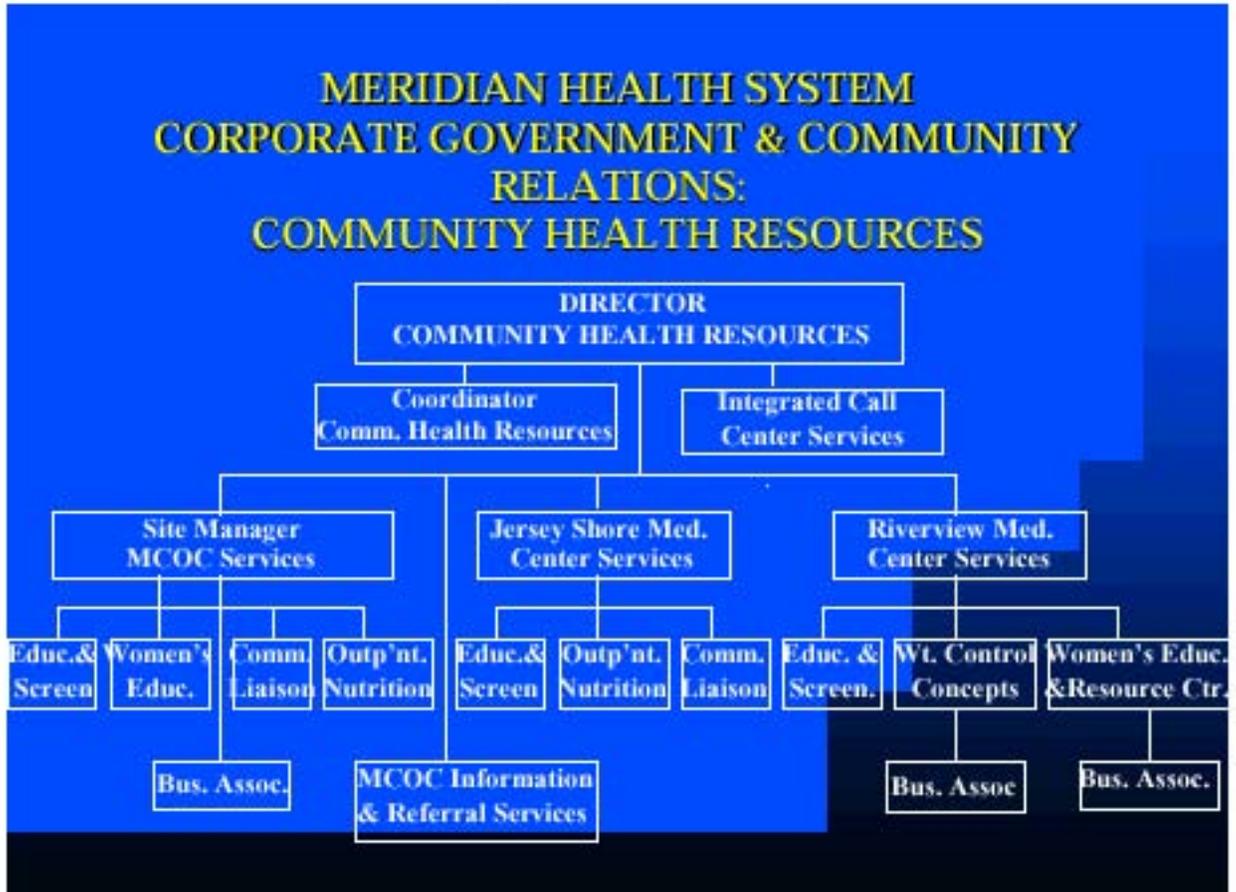


Figure 2. The Overlay Organizational Design

**MERIDIAN HEALTH SYSTEM
CORPORATE GOVERNMENT & COMMUNITY RELATIONS:
COMMUNITY HEALTH RESOURCES**

THE OVERLAY ORGANIZATIONAL DESIGN

HEALTH RESOURCES	SERVICE CENTERS	Site Manager MCOC	Riverview Med.Ctr	Jersey Shore Med. Ctr.
Health Education Screening		Kathy Traine r, RN Arlene McCourt, RN Lorraine Nelson, RN Melissa Mandy, RN L. Cirigliano, Bus. Contr't Teach/Screen	Kathy DeFazio, RN Debra Dobies, RD Debra Star, RN Contr't Teach/Screen	Debra Star, RN Other Community Health resources Support
Weight Mgmt. Nutritional		Lynn O'Hara RD	Donna Mazza, BS, Mgr. G. Ciberwal, Bus. Assoc. Debra Dobies, RD Contract Teaching Staff	Kathleen Stansfield, RD
Community Liaison		Juanita Sondi, MSW		Juanita Sondi, MSW
Women's Resource Center		Denise Seiders, RN Contract Teaching Staff	Margaret Levinson, RN Ann Cushing, Bus. Assoc. Contract Teaching Staff	
Information & Referral Services		C. Brown, Bus. Assoc.	Mary Nicholas, B.S., Coord. Comm. Health Resources	

H. INTERPERSONAL CONFLICT MANAGEMENT: THE DIALOG APPROACH IN ACTION

The Challenge: The interpersonal work relationship between Robert Walls, President and Jack Reynolds, Senior Vice President Verve Communications had deteriorated to the point where there is a lack of understanding and appreciation of each other's position. Communications in the relationship were intense and at times broke out into shouting matches during meetings of the management team.

There was disagreement in the relationship about the "new business model" within which the company must function and perceived disregard on the part of Jack for the unpopular decisions that Robert had to make. There appeared to be a general consensus that the two senior leaders of the organization needed to re-establish common ground on how to "run the business".

The leadership agreed to follow our recommendations to initiate an organization development program with a Phase I conflict management intervention involving the parties to the conflict. The two met on May 8th for the specific purpose of improving the way they work together. The results are reported in accord with the respective segments of the conflict management work session. What follows is an interim report of progress and a set of summary recommendations for follow-up.

Intervention Objectives: Must Do Today

Must do today items are considered hot button items, that if Robert and Jack could reach consensus could incentivize them to work to create a framework for rebuilding their interpersonal work relationship. The items were generated at the beginning of the day as a means of measuring the progress that Robert and Jack felt they had made at the end of the first full day of the Conflict Management Intervention. What follows is that list of items they developed and their consensus High (H) Medium (M) Low (L) ratings on the extent they feel the items have been achieved.

Results

Get agreement between Robert and Jack that the key problem to be resolved is decision-making

Have a way to work through their issues/concerns.

Devise a trigger mechanism for determining when to take issues /concerns between them off-line

CONFLICT MANAGEMENT SESSION

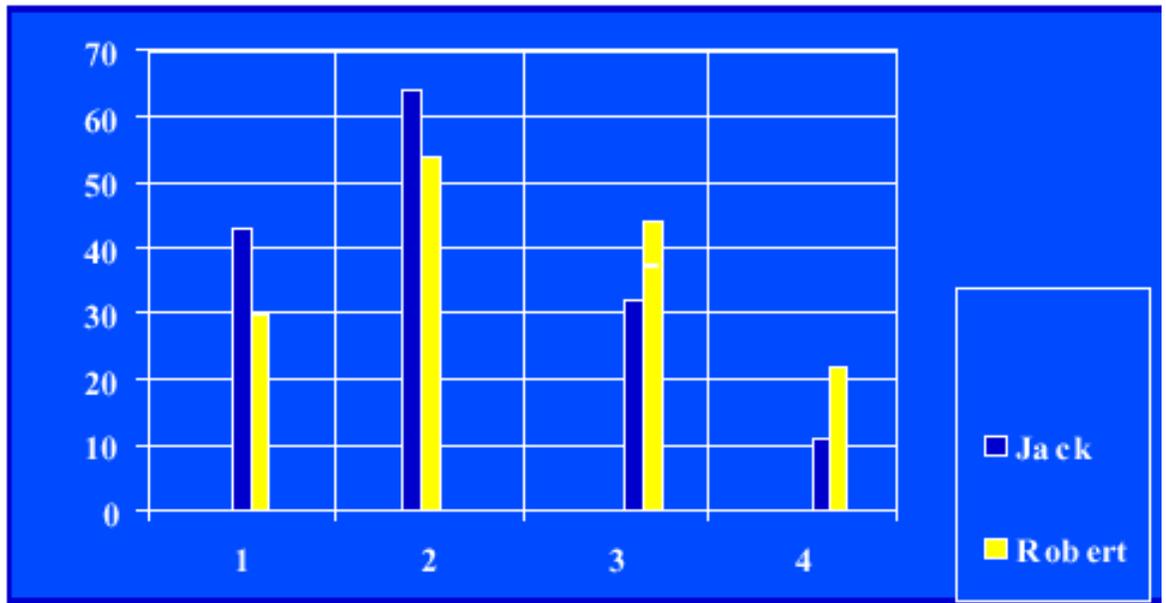
STYLE: A segment of the conflict management session was devoted to the Conflict-Management Style Survey (Robert, Mark, 1982). The survey is a self-rating questionnaire designed to increase Robert and Jack 's awareness about their respective strengths, weaknesses, and preferred modes of dealing with conflict.

Results:

CONFLICT MANAGEMENT PROCESS

Because the feedback being interchanged is conflict-based as distinguished from helping-oriented, a conflict-management process was used to assure that there was an examination by both initiator and recipient of the behaviors triggering the conflict episodes/events in the relationship.

**SPIRENT COMMUNICATIONS TAS DIV.
ORGANIZATION DEVELOPMENT PROG**



OBSERVATIONS: The difference between Jack and Robert on Score A and B (18 and 64) respectively, shows a tendency toward aggressive/ assertive conflict management style in Jack’s profile and the same stylistic tendency in Robert profile although not nearly as pronounced.

Score		Score	
Col 1 + Col 2 =	A	Col 3 + Col 4 =	B
Diff Scores			
Robert 30 + 54 =	84	18	44 + 22 = 66
Jack 43 + 64 =	107	64	32 + 11 = 43

Results and Recommendations:**1. Listening with empathy:**

One essential feature of an effective dialogue in a conflict-management is the ability of parties to respond with unreserved empathy to the views of the other. The ability to think someone else's thoughts and feel someone else's feelings is indispensable to a dialog designed to manage conflict. There appears to be awareness on the part of Jack and Robert that can be utilized as they began to effectively manage the conflict in their relationship

2. Bringing Assumptions into the open:

Robert and Jack don't need each other. The dialog revealed that Jack and Robert held an assumption that the other party didn't need them. During the negotiations it became clear that although not often expressed, they needed each other in order to provide leadership in the current challenges THE COMPANY is facing. The parties were encouraged to list the proposals for change Robert and Jack committed to during the negotiations for change in their relationship.

It's a bad idea for Jack and Robert to express openly their differences: Conflict in and of itself is neither bad nor good, but inevitable in the COMPANY multinational setting. The relevant question is how well is the conflict managed. It is possible that on some critical issues there is too much conflict. On other COMPANY issues there may be too little. We recommended that the leadership adopt the Dialogue Approach for either resolving or managing the conflict.

Dialogue means that Robert and Jack and the management team would directly engage each other and focus on the conflict(s) between them, including aspects of their work relationship itself. The core strategy entails the promotion of productive conflict to counteract two likely yet avoidable destructive dynamics:

- 1) Senior executive dominance or abdication, and
- 2) Management team withdrawal or submission.

Later that same year, there was a severe downturn in the economy that forced the parties to right size the staff of the company. They concurred that if they hadn't learned the dialog approach it would have been improbable that they would have successfully completed the process.

Summary Recommendations:

- 1). Adopt the Dialogue Approach for either resolving or managing the conflict. The core strategy entails the promotion of productive conflict to counteract the two likely yet avoidable destructive dynamics listed above:
- 2). Specify the criteria to be applied to the decision to initiate Phase II of the COMPANY organization development program.
- 3). Follow -through and implementation of the agreed upon changes in the relationship is critical.

I. BUILDING GLOBAL TEAMS IN A TWENTY-FIRST CENTURY BUSINESS

Bowthorpe plc, is the parent company of a growing global technology group targeting on the design, development, manufacture and marketing of niche electronic products. Our primary client is the Telecommunications Group, a rapidly growing enterprise that is establishing through acquisition, a global leadership position in the telecommunication systems test business.

The Challenge: Although mergers and acquisitions (M&A) are occurring in record numbers, the evidence is that that only 25% of these deals create shareholder value. Why do M&A deals go sour? The answer depends upon the particular phase of the M&A process with which a company must contend. The example we present, is related to Telecommunication's challenges of the post acquisition phase where its leadership must deal directly with the obstacles to integration.

The group's rapid growth coupled with its needs for integrating the newly acquired companies triggered the leadership's desire to review its corporate strategy. Resources at the interface between Telecommunications and member companies were in short supply with only a MD from the Member Company and a Group President from the Telecommunications Group. The barriers of time and distance among the leadership were exacerbated by the cultural differences among the parent and its member companies. Integration was viewed as a distraction from "real work", and the executives of this growing global enterprise were challenged to make team building and integration a high level priority if longer-term productivity was to be maintained.

The CLSI Intervention: First CLSI developed a Report of Findings and Recommendations that detailed the current issues to be resolved and problems to be solved related to the challenges of Telecommunications integration. Next, we designed and delivered a 3-day Team Building and Corporate Strategy Work Conference for the Telecommunications Executive Team comprised of the parent company CEO, Telecommunications presidents, and the Director of Business Development. During the conference, we conducted a feedback session based on the report of findings that the Executive team used as a vehicle for building its agenda, that extended beyond the 3 day work conference. We facilitated the conference process that helped the team to focus intensively on three major challenges of Telecom acquisition integration: 1) building a global team among key Bowthorpe Telecom executives, 2) getting agreement on a high level corporate strategy for relating to the acquired companies and 3) Clarifying the telecom executive roles and responsibilities. The conference was convened at an attractive geographic location, with facilities for recreational team development activities that counterbalanced the formal strategic planning sessions of the work conference.

The Results: The team agreed on a high level corporate strategy that entails adding new executive resources at the group level for managing the integration process. The team clarified roles and responsibilities among the executive team members. There was commitment to on-going team building among the executive team and to extend the process to include the member companies in the future.

J. RED BANK EDUCATIONAL DEVELOPMENT INITIATIVE: AN EMPOWERMENT EVALUATION

The Challenge: The Red Bank Educational Development Initiative is a community Based education and development initiative. The town of Red Bank, New Jersey did not have a strategic plan for the improvement of its developmental and educational assets for children. There was no consensus among key stakeholders in Red Bank education and development about the current state of affairs and priorities for improvement.

The Red Bank educational facilities consist of three buildings: 1) Red Bank Primary School Grades K-4, constructed in 1971 with a functional capacity to accommodate 690 students, 2) Red Bank Middle School grades 5-8 that was constructed in 1917 with a functional capacity to accommodate 809 students, and 3) Red Bank Regional High School, grades 9-12 constructed in 1975, with a functional capacity to accommodate 1,583 students. There are a total of approximately 900 Red Bank students populating these three facilities. The community of Red Bank recently approved a bond issue to improve the physical plant of its middle school.

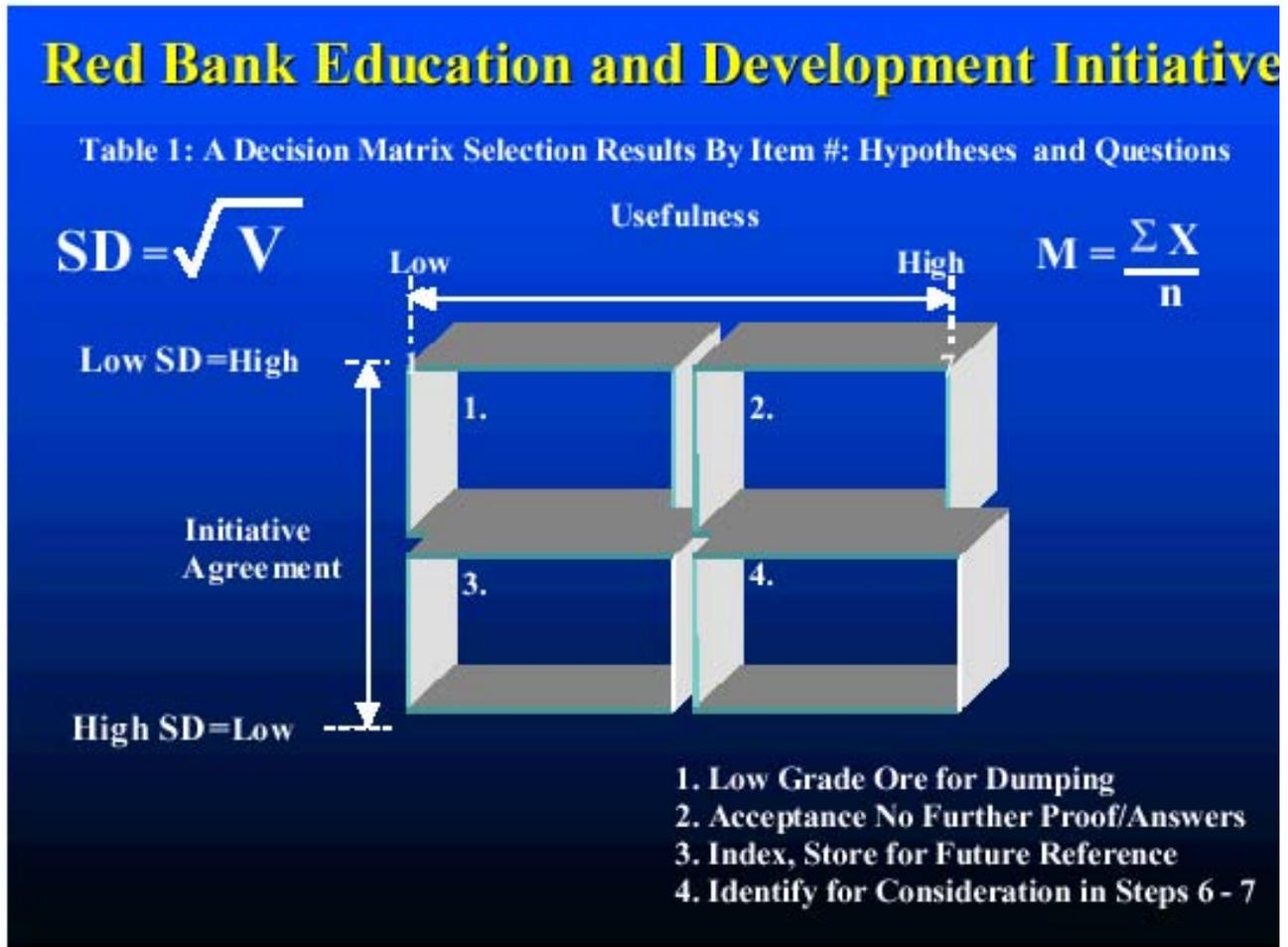
The Intervention: CLSI was the architect of the organization design for Red Bank Educational and Development Initiative, a community development, strategic planning and team building model for improving the education and development of Red Bank Youth. We utilized an Empowerment Evaluation /Action Research approach to organizing that community group comprised of youth service provisioning agencies including the local schools and Board of Education.

Our design decision to use an Empowerment Evaluation was based on the need to impact the participants themselves in addition to generating findings. There was a need for the members to build a mutual understanding and acceptance of the fact-finding process, and ownership of the subsequent results.

We used standard deviation (SD) to support the decision making process that was part rational and part intuitive on the part of the participants who were asked to rate (1 to 7) their questions and hypotheses on a usefulness criterion. Low SD implies high agreement and high SD implies Low agreement. Next the group allocated the questions and hypotheses across the 4 quadrants of the Decision Matrix as shown in table 1.

Quadrant 1., Low Grade Ore for Dumping is comprised of items where there is high agreement about the low usefulness of the items. There is little need to expend the energies of the group on these.

Table 1. Decision Matrix



Quadrant 2 is comprised of items that the members agree are useful and are willing to accept without further proof or answers. That is, there is no need to gather additional data.

Quadrant 3, low Agreement, and low usefulness items were indexed and stored for future reference. They may prove more useful during the evaluation process.

Quadrant 4, High usefulness, and low agreement items are questions and Hypotheses about which there is the greatest energy. There was also the most conflict that could be used constructively during a systematic and participative fact-finding empowerment evaluation.

The Results: The Initiative was organized based on a CLSI model of self-selected heterogeneous teams empowered to gather data around hypotheses and questions about education and development of interest to the teams. The contributions of CLSI to the current results of the Initiative are documented on the Initiative web site at : <http://www.redbankkids.org>.