

# THE FIRST WINDOW



## THE PHASES OF ORGANISATION DEVELOPMENT

### How do organisations grow and develop?

Organisations are like human beings. They are born, grow up and eventually pass away. In Chapter Two we mentioned that individuals go through three general stages of development – the dependent, independent and interdependent stages. In the same way, organisations go through similar stages, or phases.

The acclaimed organisational practitioners, Bernard Lievegoed and Fritz Glasl, through their observations of many organisations, were able to distinguish four general phases of organisational development: The Pioneering Phase, the Rational Phase, the Integrated Phase, and the Associative Phase.



Bernard Lievegoed

Fritz Glasl

#### THE PHASES IN BRIEF

1. **THE PIONEERING PHASE** This phase is like a flowering patch – messy but fresh with new energy. It's flexible, but dependent on the pioneer, who is seen as a parental figure.
2. **THE RATIONAL PHASE** "Left-right-left-right!" Organisations in this phase are independent, more conscious and well organised.
3. **THE INTEGRATED PHASE** Like a good stew, this phase is a mix of the best. Organisations in this phase are interdependent, organised but more flexible.
4. **THE ASSOCIATIVE PHASE** Organisations in this phase are interdependent and better connected to their environment.

Take a look at the diagram on Pages 80-81 to get an overview of the phases.

Unlike with human beings, organisations do not have to move from one Phase to another. Some, like small CBOs or NGOs, or professional agencies like architects or doctors, may happily stay in the Pioneering Phase, while others, like Government Departments, may do well to stay in the Rational Phase.



# The Pioneering Phase

## THE EARLY YEARS

This is like the first part of a person's life: being born, growing up, becoming a young adult. The first phase of a successful initiative is often vibrant, exciting, full of surprises and growth. The pioneer, usually one person, though sometimes two, starts the venture with motivation, high energy and a big idea of what he or she wants to achieve. Pioneers gather enthusiasts around them, often trusted friends, and invest great time and commitment in the new birth.

The pioneering organisation often has a family atmosphere about it and can be quite informal, without clear policies or procedures. Meetings happen on the spot, depending on the needs of the day. Plans are made on the fly and a great deal of experimentation takes place. Pioneers are expected – and prepared – to make decisions immediately without much discussion. This is a very creative, fast and flexible phase with different people playing different roles at different times.



## GROWTH AND CRISIS

If the organisation is successful it attracts resources and often grows at a rapid rate. But with growth, problems arise over time. New people are employed who do not share the initial joys and struggles of the early days. As more people join, the sense of intimacy is lost. The family feeling starts to disappear and very often conflict begins to develop between the old and new generations.

As the workload and staff numbers grow, things become more complex and difficulties arise. But the pioneer may not wish to let go of the informal way of managing – he or she still wants to remain in charge in his or her own way. But new staff, increasingly empowered by their experience, may also want to make some decisions and take over managing the work they are responsible for.

Other problems start to crop up. Things can become chaotic and too disorganised. New levels of planning and organised support are needed to cope with the growth and increasing complexity of the work, including clearly understood goals and policies to enable people to work together. This may be resisted by the pioneer and original staff who fondly remember the early informal days. Motivation decreases and conflicts increase.

## LEADERSHIP AND FACILITATION OF THE CRISIS

In Chapter One (page 20) we talked about emergent and transformative change. The Pioneering Phase largely involves an emergent type of change, which typically culminates in a crisis which has the potential for transformative change. In this way, the organisation transforms itself as it enters the Rational Phase.

If the leadership is able to appreciate the crisis and see the need for transformation, the organisation is enabled to move through the crisis, albeit with some pain, into a new phase of growth.





*“Insisting that a pioneering organisation becomes more organised sooner than it needs to be, or trying to force it to the next phase, is a bit like parents who push a child to behave like an adult before the time is right.”*



Sometimes the crisis is sufficiently disruptive that the organisations sees the need to call upon the help of outside an facilitator to guide them through the change process. This can be a good thing, and can prevent a destructive implosion. For the facilitator who is called in to work with the organisation in crisis, the immediate task is to acknowledge and understand all the competing feelings and ideas that are washing around inside the organisation. To enable these to be transformed into the next phase, it is important to see the crisis as a natural part of the organisation's development, rather than a failure.

Here the facilitator should help the organisation to read and understand which of the aspects of the pioneering organisation should be appreciated and kept and which are not working and need to be let go of or “unlearned”. This will clear the way for a new set of organisational principles and values to take root. This process of change, known as the U-process, is dealt with in Chapter 5.

If this crisis is not well navigated, the organisation can die. This can be exacerbated by donors withdrawing their support under the false impression that the organisation is failing. Sometimes, long before a crisis has set in, donors or naive leaders can inadvertently provoke a different kind of crisis by insisting that a pioneering organisation becomes more organised sooner than it needs to, or trying to force it to the Rational Phase. This is a bit like parents who push a child to behave like an adult before the time is right! It can result in the pioneering energy and spirit of the organisation being stifled, and can force a lively organisation into a deadening bureaucratic mode where all enthusiasm is lost.

Sometimes pioneers refuse to change their leadership style and lose their unhappy staff, either leading to collapse or forcing the organisation to restart, repeating the phase.

## The Rational Phase

### THE EARLY YEARS

If the organisation has weathered the storm of the pioneering crisis and if leadership has accepted the need for change, then it can move more fully into this next phase. Quite often the pioneer leaves during the crisis and goes on to start another organisation (it's what they like to do), making way for a new leader.

This phase is about moving from the personal, intuitive, experimental way of organisation to a more objective, conscious, clear and planned way of meeting the growing organisation's objectives.

In the Rational Phase we start to see shared and written goals and policies, clear decision-making, systems, procedural handbooks, and formal reporting relationships being called for. The vision, identity and purpose of the organisation are made more conscious. Clear leadership functions regarding plans, procedures, goals, policies, organisation, evaluation and review are developed.

Staff have more specialised functions in this phase. Departments and new layers of management are established to divide the work more manageably. New leadership is promoted as it's no longer possible for everything to be initiated, decided and led by

the pioneer. This is what is meant by differentiation. New integrative functions, like inter-departmental meetings, have to be held to counter the isolation that comes from this differentiation.

Essentially, in this phase, the organisation gets its act together in a more conscious and planned way. It's not necessarily an easy process, as there may be staff who resist because they feel that the organisation is becoming a bureaucracy. Certainly, the challenge is to avoid becoming machine-like and alienating, so it's important to listen to all points of view to keep the organisation healthy and lively. Older staff may speak with nostalgia about the old family days! Keeping some of the human touches of the Pioneering Phase may be worthwhile to bring balance to this phase.

Rational organisations do not have to be alienating bureaucracies, though they often develop into them, as we shall see below. They can be highly productive, well-organised and healthy establishments.

This phase can lead to great expansion in both size and complexity as the organisation frees up new energy in its more differentiated way of working. Most of the very large organisations in the world today trace their biggest expansions to this phase.

## GROWTH AND CRISIS

Over time a new kind of crisis may begin to set in. Through differentiation, the pioneer's ideas are scattered and the other parts of the organisation have to "carry" the impulse consciously. They do this by taking responsibility for implementing an aspect of the whole. But what happens is that they can become stuck in seeing only the aspect that they are responsible for. In this way the collective sense of purpose fragments and the organisation can begin to grow in lopsided ways.

Problems typically arise as the organisation differentiates through increasingly "efficient" mechanistic structures, systems, policies and procedures. Tension starts to develop as staff, who have become more experienced and empowered in the process, become frustrated with the hierarchies of communication and decision-making, and the division of work into competing silos. These silos may have been helpful in tidying up the chaos of the previous phase, but now they become obstructive. People start feeling dissatisfied and disconnected from the purpose of their work and lose touch with the impact of the organisation as a whole, becoming stuck and isolated in the process. Many people can start to feel like lonely or disgruntled cogs in a creaking machine.

Staff may then start to challenge or break the rules. Often the response by management is to crack down, strengthening the rules and trying to enforce compliance. Staff may succumb to this but it is likely to lead to hidden resistance by way of a loss of vitality, decreased motivation and low productivity, higher levels of absenteeism or turnover and increased communication difficulties. A vicious cycle can set in. "Office politics" and corridor gossip become the centre of a shadow organisation. We call this a "cold crisis".

On the other hand the situation may develop into a "hot crisis" of more open challenge and resistance, even conflict, also resulting in a loss of productivity, perhaps even work stoppages and protests.

Either way the crisis deepens and something has to give way.



*“Staff may begin to grumble  
and challenge or break  
the rules.”*

*“Many people who instinctively don’t like this phase may be tempted, when problems arise, to see this as the end-of-phase crisis and then get themselves ready for the next (sexier looking) Integrated Phase.”*

## LEADERSHIP AND FACILITATION OF THE CRISIS

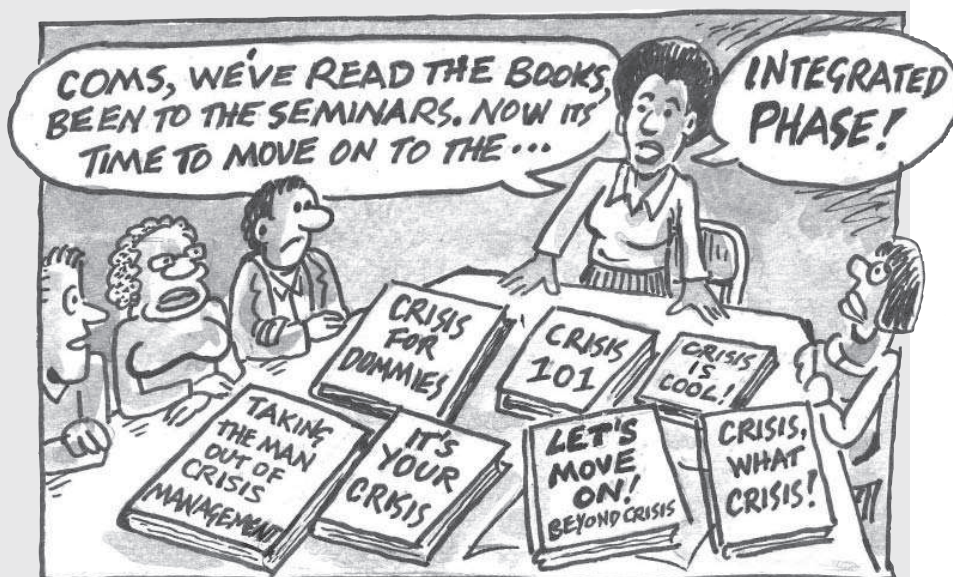
Many people (in this post-modern age) instinctively don’t like this Rational Phase when they experience it or even when it is described to them – it feels mechanistic and old-school. So they may be tempted, when problems arise, to see organisational problems as the end-of-phase crisis and then get themselves ready for the next (sexier looking) Integrated Phase. But these problems may just need fixing. There are healthy forms of this Rational Phase, where organisations maintain human relationships and processes to balance the more mechanistic features of the phase.

But when the staff have reached a level of both empowerment and frustration and the levels of hot or cold crisis are high enough that productivity is falling consistently, it begins to make sense to transform the organisation, to move into the Integrated Phase. This will help break down the divisions and mobilise the more developed capabilities of the staff through a different quality of organisation.

Again it is quite possible that external facilitation is needed to assist the organisation to navigate the phase.

The challenge of leading or facilitating this crisis is similar to the crisis of the previous phase: appreciating and keeping what works and unlearning what does not, clearing the way for the new set of organisational principles and features that characterises the next phase to take root. (Another example of the U-process of change is described in Chapter 5.)

Many, if not most, of the leadership and management books available today focus on this crisis as experienced by big business corporates, describing their challenge to move to the Integrated Phase. Unfortunately these books get used by many organisations who are working from the Pioneering to the Rational Phase, so that the advice they get from these books is sometimes the very opposite of what they need!



*“The organisation of the Integrated Phase is held together by strong common vision, purpose and values more than the rules and policies of the Rational Phase.”*

## The Integrated Phase

### THE EARLY YEARS

This phase is an integration of the best features of the Pioneering and Rational Phases. It is more human and efficient and therefore more effective in mobilising the diverse capabilities of more mature staff and relationships.

The more empowered staff will tend to want flatter, simpler, decentralised structures that facilitate fluid communication and collaboration.



This may end up looking like a network of pioneering teams or units with a smaller and more facilitative hierarchy. The organisation of the Integrated Phase is held together by a strong common vision, and by a sense of purpose and values, rather than by the rules, procedures and policies of the Rational Phase.

## GROWTH AND CRISIS

The crisis of the Integrated Phase comes not from within the organisation but rather because it is isolated from its environment, from other organisations (perhaps as competitors). Here the issues, crises and opportunities for further development come from new forms of cooperation and collaboration with other organisations.

## LEADERSHIP AND FACILITATION OF THE CRISIS

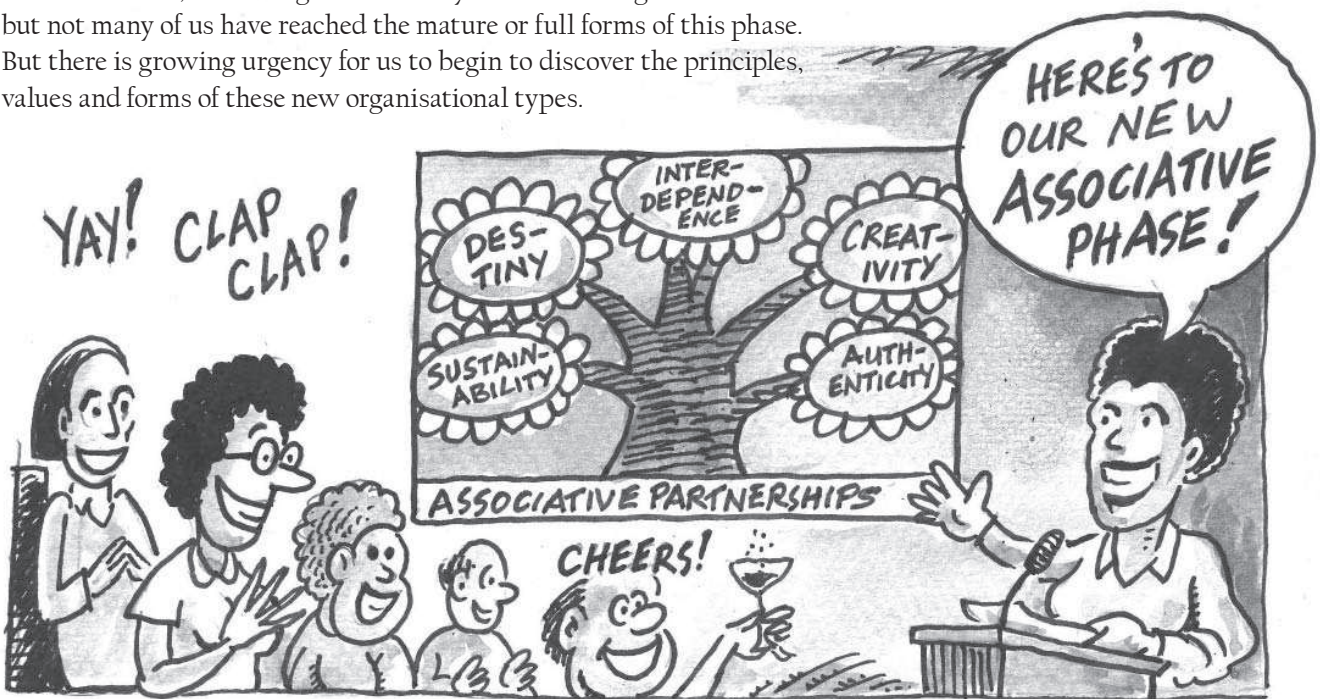
An organisation that has reached this phase is likely to be peopled by a diverse range of mature and talented people, possibly quite proud of their achievements and their particular “brand”. The challenge is for them to let go of their competitive urges and pride in order to team up with other organisations. This will require a particularly visionary and wise leadership and facilitation.

## The Associative Phase

There is a growing realisation of our common and shared destiny in the increasingly globalised world and therefore the need for interdependent relationships that connect different organisations across an ever-widening spectrum, into creative and authentic partnerships. We need to work together in order to achieve the social harmony and sustainable development that will protect us and our planet into the future.

The idea of partnerships and collaborations across organisations has been promoted for a long time and many attempts have been made to make these real, but with great difficulty. Some have begun to succeed but not many of us have reached the mature or full forms of this phase. But there is growing urgency for us to begin to discover the principles, values and forms of these new organisational types.

*“There is a growing realisation of our common and shared destiny in the increasingly globalised world and therefore the need for interdependent relationships that connect different organisations across an ever-widening spectrum, into creative and authentic partnerships.”*





# Phases of organisational development

## PIONEERING PHASE CRISIS

- The sense of intimacy is lost, conflict develops between old and new generations.
- Growing complexity no longer met by informal way of managing.
- Chaos and disorganisation increase.
- Loss in confidence in pioneer's ability
- New staff, want some decision-making power
- Pioneer and original staff resist change,
- Motivation decreases and conflicts increase.



## RATIONAL PHASE CRISIS

- The collective sense of purpose fragments
- Mechanistic structures, systems, policies and procedures begin to frustrate the staff
- People start feeling stuck and isolated in the process, cogs in a creaking machine.
- Staff start to challenge or break the rules. Management cracks down.
- Often hidden resistance, loss of vitality and productivity
- Corridor gossip and "cold crisis" can set in.
- Or a "hot crisis" of more open challenge and resistance.



**CRISIS**

## FEATURES OF THE PIONEERING PHASE

- Small, close to the community / clients
  - Personality of pioneer shapes structure, ways of working
  - Charismatic leadership
  - Highly personalised functions organised around the abilities of staff
  - Improvising – flexible - dependent
- Challenges: chaos, arbitrariness, dependence of staff

*The Pioneering Phase*

## FEATURES OF THE RATIONAL PHASE

- Structures and roles become formalised
  - Guided by policies
  - Differentiated management, business-like, rational, division of labour
  - Staff fit into organisational requirements
  - Controlling – systematic - independent
- Challenges: over-organisation, fragmentation, bureaucracy

*The Rational Phase*



# Growth phases and developmental crises

## INTEGRATED PHASE CRISIS

- Isolation and competitiveness with others
- Missing opportunities for integrating and cooperating with other organisations



CRISIS

## FEATURES OF THE INTEGRATED PHASE

- Renewed vision, values, culture developed co-operatively
- More self organisation, self control
- Situational & developmental management with flatter structure
- Integrated functions, teams, autonomous groups (human element)
- Best of pioneering and rational phase qualities
- Fluid – networking - interdependent

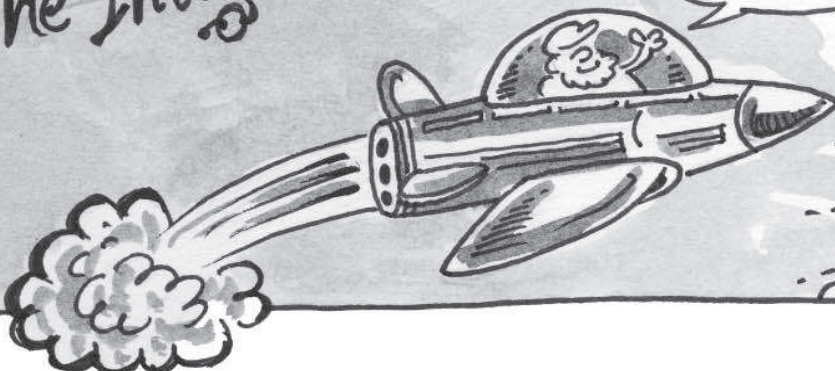
## FEATURES OF THE ASSOCIATIVE PHASE

- Interdependent relationships with other organisations and the environment (shared destiny)
  - Moving beyond constraints of competition to possibilities of collaboration
  - Acceptance of a wider responsibility
  - Internally similar to the Integrated Phase
- Challenges: power blocks through strategic alliances

The Integrated Phase

The Associative Phase

ONWARD!





## Frequently asked questions about the phases



**CAN OUR ORGANISATION JUMP FROM THE PIONEERING PHASE TO THE INTEGRATED OR ASSOCIATIVE PHASE?**

People frequently ask this question because these later phases sound so cool, so in line with their thinking. The answer is generally “no”, but occasionally a “yes” will be appropriate. You can’t skip teenagehood even if, as a child, you may sometimes want to be an adult. In the same way, organisations can’t jump a phase, simply because in that phase there are important lessons to be learnt and capabilities to be developed that are required for the next phase. But, if your organisation has employed more experienced people, and if you have invested good time in learning in the Rational Phase, and have tried to introduce more human-centred working conditions, there is no reason why you should not be able to move more quickly and easily to the next phase. Sensible features more often found in the Integrated Phase, like flexible team-working, can be introduced in the Rational Phase.

Organisations can also be associative with other organisations at any stage in their development, but this will not come easily or naturally until they reach the Associative Phase.



**CAN OUR ORGANISATION REMAIN IN THE SAME PHASE?**

It may seem natural that all organisations, like individuals, should move through all the phases, but this is not necessarily the case. Most government departments, for instance, should probably remain in the Rational Phase, as this may be the best organisational form to get the task done. Similarly, smaller and more nimble NGOs and community based organisations may happily remain in the Pioneer Phase. Over time they may adopt some or other characteristics of “later” phases, e.g. being more associative, but still remain essentially pioneering.

**CAN THE ORGANISATION SKIP OR AVOID A CRISIS?**

No, these crises are a natural and unavoidable feature of development. But you can prevent a crisis from destroying an organisation. Crises enable you to unlearn what you have to let go of and they stir up the energy you need to launch yourself into the next phase. A good leader should be able to anticipate such a crisis and (with or without the help of external facilitation) be able to ensure that the crisis does not get mis-read and mishandled into a disaster.



**CAN AN ORGANISATION BE IN MORE THAN ONE PHASE AT A TIME?**

It is quite common for large organisations to have different parts (departments) at different stages of development. A new section or department may be created to establish a new product or service and the practices and culture of this department may be quite similar to those of organisations in the pioneering phase of development. While this is happening the larger parent organisation may be going through the crisis of the Rational Phase.



**WHAT HAPPENS WHEN AN ORGANISATION DIES?**

Death is never an easy thing to deal with, but sometimes has to be faced. In our work with organisations in the development sector, we are often faced with stagnation: the refusal of old ideas to die, people hanging on to past glories. We see organisations whose original life forces have dried up but who are kept on life-support by funders, others who are sustained by little more than the memories of long-gone success, or those held together against all odds by ageing leaders who cannot separate their own identities from the withered structures that are all that remain of the major achievements of their lives, and who simply cannot bear the final judgement of closure. If we are called upon to assist with these organisations our work becomes more clerical in nature. Our task is to help the people to find a good death, a gentle death, in effect, to conduct a funeral.







IS THERE SUCH A THING AS THE "GOOD DEATH" OF AN ORGANISATION?

*"Like any good funeral it must be a space for people to express their grief and regret and in doing so to begin to clear the space for new life."*

Like a good funeral, the "good death" of an organisation requires an appreciation of what it achieved, and a celebration of its life, as well as an honest assessment from which important learnings can emerge. Like any good funeral there must be a space for people to express their grief and regret and in doing so begin to clear the space for new life. The good death of an organisation should free people from the burden of guilt, regret and blame for any failures. It should be a gentle process of resolving and forgiving, of letting go, bearing in mind that new organisations often spring up from nowhere to take up the space that opens up when the old organisation is finally laid to rest.



# Using the Phases of Development in Practice

## SOME TIPS AND TECHNIQUES

Do not assume that if you have a crisis in the organisation that you need to transform to the next phase! As a leader or facilitator working with crisis the first thing is to see whether what you are facing is perhaps just a normal difficulty that requires some good problem-solving.

If you are sure you are in a crisis of a phase of development then it may be worthwhile to share this framework with members of the organisation and ask them what challenges they think need to be faced. This can help people to see that what they are going through is normal and thus reduce anxiety, helping to prevent people from blaming each other (especially leadership) for all the troubles.

This Phases Window also gives some glimpse into a possible future – it can inspire hope. However, be careful that people do not immediately try to rethink the organisation using these new ideas without a meaningful process of dealing with the crisis – by surfacing the hidden feelings and dynamics and helping people to let go of what is underneath the crisis. If things are rushed then the organisation may easily slip back into the old ways and crisis.

## ORGANISATIONAL BIOGRAPHY: A USEFUL TOOL

**Use it** to describe an organisation as a picture over time to gain an insight into the phases in the organisation's development

**Use it** to examine any turning points or crises in the life of the organisation and to try to understand how these impacted on where the organisation is now and what it can learn from these crises to move into the future

## DOING AN ORGANISATIONAL BIOGRAPHY

One of the most powerful exercises to help an organisation to understand its process of development is to do an Organisational Biography. In Chapter 2 we introduced the idea of Biography Work to help us to understand the life-cycle of an individual. We can do the same with organisations. Such a process almost always leaves people feeling more connected and appreciative of how the organisation has developed, the contribution of leaders, surfacing good learnings, and building a deeper understanding of the story behind the situation it finds itself in today.



Go to [www.barefoot.org](http://www.barefoot.org) for "Organisation biography development exercise for OD Fieldguide.doc"

