

# Holignment: A Normative Model of Integrative Organization Development

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*Failure rates in organization development are too high and the associated costs and losses increase with the increased complexity of the socio-economic environment and the speed of change. One critical reason for failure is that many interventions and growth strategies are beyond the learning capacity of the organization, and thereby fail to gain traction. The proposed model was designed as a solution to this problem. It is a normative, full-system, fully-integrated, stage-based framework that is applicable for the diagnosis and development of organisations. Until now the only models available are recognised as unscientific or simplistic whereas Holignment is based on scientific theory and research and is visibly comprehensive. Drawing on organizational science, Learning and Complexity Theories, etc., the model is a fourteen-stage matrix that measures on the Y axis, from the lowest stage called Gravitation to the highest stage called Sustainable Leadership. Learning stages are measured across each of 15 discreet dimensions or dynamics that are ranged along the X axis, including Interpersonal, Strategy, Finance, etc. These dynamics are made up of seven or more constituent dynamic constructs, e.g., communications, mission, ROI, etc. Interventions can either be pitched at the diagnosed levels of functioning across the whole range of functioning, or learning can be raised to a level where the intervention will gain traction. The matrices also provide for phase-by-phase instructions across the whole system. Validity for Holignment is discussed in terms of correlation with other OD models, and from real-life corporate histories. Its potential is introduced for intra-organizational development of teams, individuals, leaders, etc., and for specialised functional organization-development and other initiatives noted for not gaining traction such as introducing Collaborative Software.*

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## 1 . Introduction

Many research papers affirm the high proportion of negative or neutral collateral effects from organizational interventions (e.g., Dean and Baden Fuller 1999; Wischnevsky and Damanpour 2006; and Tushman and Rosenkopf, 1996). The reason why intrinsically good interventions fail is an inability to gain traction, because they are beyond the learning capacity of the organization. This is because there is no sufficiently integrative model of organization that can offer a meaningful diagnosis of functional learning capacity, and growth planning along scientifically based phases that optimise human-system development.

## 2 . Literature Review

Integrative initiatives of recent years have sought to increase employee training and involvement in process improvement. Total Quality Management (TQM) has been described as an integrative philosophy of management for continuously improving the quality of products and processes (Ahire 1997), while Six Sigma and Lean programmes involve people in removing causes of defects and waste. However, one study that is regarded as a balanced appraisal of these methods deduced that the source of performance advancements was not the tools and techniques of TQM but the culture, empowerment and commitment that came from successful implementation, and it concluded that “these tacit resources, and not TQM tools and techniques, drive TQM success”, and that “organizations that acquire them can outperform competitors with or without the accompanying TQM ideology” (Powell 1995), thereby highlighting the added-value of the integrative approach.

The models that make claims of a normative nature for their organization-development approaches include *GRID* which originated from Blake et al., (1964), and offers a 2-dimensional model. Another approach is limited to process analysis such as the various derivations of Capability Maturity Models (CMMs) which are direct adaptations of 5-stage models that effectively provide 4-phased process improvement programmes for software development projects and do find some validation in the proposed integrative learning model which is far more comprehensive.

Other approaches and frameworks are based on either organisational results relating to Profitability, Quality, etc.; satisfaction surveys of various stakeholders; task-specific frameworks and frameworks that try to capture a common-sense appreciation of progress for organizations. Output-related results offer little predictive validity of future organizational performance and Financial theory is very explicit on the point (see e.g., Brealey and Myers 1988).

Learning in organizations has received two avenues of investigation and application, namely organizational learning which applies cognitive psychology to describing how learning occurs (e.g., Argyris and Schon 1978, Fiol and Lyles 1985), and “the learning organization” (Senge 1990) which itemises features of learning that foster organizational growth. Such strands of research have established an acceptance of describing organizations as learning systems. The current proposal takes this approach further by providing a normative model of organizational learning.

The need that the current proposal addresses therefore, is to provide a full-system, integrative, practical, normative, culture-proof model of organizational learning that can diagnose learning levels throughout the organization, match interventions with the learning capacity of the organization to achieve traction, and guide sustainable growth.

### **3 . The Model**

The proposed model is a matrix. On the X axis are the discrete dimensions being measured. Insofar as they are differentiated for the way in which they impact on the whole socio-economic performance of the organization, they are called Dynamics, which in turn comprise of Dynamic Constructs which typically number seven or more. On the Y axis are 14 Learning Stages that occupy 7 distinct Levels, and 2 States that incorporate integrative and disintegrative stages (see Fig. 1). Each point of the matrix for each construct describes both habituated behaviour at that point, and also a description of the behaviour that is required to move the Construct through that stage (phase) of learning in an integrated programme. The diagnostic tool measures each dynamic construct for the learning stage exhibited by its functioning. Averaging the results for each construct gives a score for each Dynamic. Fig. 1 shows a sample result of an organization-wide diagnostic that exhibits the full range of scoring. The resultant instructions yield step-by-step intervention planning for use throughout the system to achieve higher levels of functioning. The Dynamics are organized in four modules for greater analysis and convenience. The following paragraphs present a very brief outline of each Habituated Stage and the corresponding Developmental Phase of the model.

THE HOLIGNMENT ORGANIZATIONAL MATURITY INDEX (HOMI)																	
ORG XYZ		HOMI SCORE:													6		
MODULAR INDICES:	Productive Dynamic Index:	6			People Dynamic Index:	6			Directive Dynamic Index:	6			Macro Dynamic Index:	4			
STAGES (Scores)	Dynamics (see below):	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
Sustainable Leadership (12)																	INTEGRATION
Leadership (11)																	
Sustainable Comp. Adv. (10)																	
Competitive Advantage (9)																	
Sustainable Comp'ness (8)				8					8								
Competitiveness (7)	7					7			7	7							
Learning (6)											6					6	DISINTEGRATION
Change (5)		5			5		5					5					
Destabilisation (4)													4		4		
Stabilisation (3)														3			
Critical Divergence (2)																	
Critical Dependence (1)																	
Insulation (0.n)p																	
Inertia (0)																	
Black-Hole (-n)p																	

DYNAMICS: A)Physical Resources, B)Work, C)Emotion, D)Cognition, E)Personal, F)Interpersonal, G)Management, H)Leader, I)Strategy, J)Goals, K)Reward, L)Product, M)Finance, N)Customer, O)Macro-environment

Fig. 1. An example of the Holignment Organizational Maturity Index

Stage 1 is called *Gravitation* (Black Hole) and describes a construct as a drain on an organization's energy or resources, etc. The idea that management can leave such *Black Holes* in an organization is well researched as e.g., the *Sunk-Cost effect* (Staw 1976), where decision-makers have become too emotionally attached to losing projects or resources.

Stage 2 is called *Core Inertia* (Inertia) which for individuals, corresponds to depression and Learned Helplessness (Seligman 1975) which can result from many effects such as a dominant leader, customer, financier, etc. The corresponding Developmental Phase can be achieving conviction among some key people to stop the negative Stage-1 effects and agree to support a developmental drive to remedy the situation.

Stage 3 is called *Insulation* (Incubation). This stage describes e.g., where projects struggle at the early innovative stages for various reasons. The corresponding Developmental Phase for many constructs, involves a strategic plan being devised for taking it through the phases and integrating its development with organizational strategy.

Stage 4 is called *Tropism* (Critical Singularity) and is exemplified in Groupthink (Janis 1971), which describes how people defer to directive leadership or other singular influences, e.g., Polaroid when it lost a two-year R&D lead in Digital Imaging because of deference to its leader's assumptions that people would prefer to have pictures (Tripsas and Gavetti 2000). The corresponding Developmental Phase involves rallying around a change agent who has ideally the people's trust, or the leader supporting the developmental plan from the Incubation phase, the attainment of a critical flagship customer, etc.

Stage 5 is called Reflexism (Critical Divergence). Reflexism is responsiveness that lacks strategic direction or executive functioning. Fire-fighting and burnout prevail. The corresponding Developmental Phase describes delegation to a network of credible key people to drive change, or diverting away from tropistic dependencies on e.g., the critical first customer, first product etc., and providing early and somewhat chaotic growth through opportunistic expansion.

Stage 6 is called Stable Equilibrium (Stabilization) which signals that there is no internal pressure for change beyond parameters habituated to a comfortable niche or symbiosis. This describes the trap of co-evolutionary lock-in that afflicted Intel in the 1985 as outlined by Burgelman (2004). The corresponding Developmental Phase is one of taking stock of the strategic options emerging from the opportunistic or divergent phase, on-boarding people with strategy in workshops.

Stage 7 is called Unstable Equilibrium (Destabilization). At this stage, there is ineffectual pressure for growth. The corresponding Developmental Phase often involves positioning, resourcing and empowering those who can leverage growth and learning within the system to drive the strategy forward using good change-management protocols.

Stage 8 is called Adjustive Learning (Change). Learning is defined as “change in behaviour as a result of experience”, but all change is not adaptive, and learning that is emergent from stagnation is based on non-integrative experience. As a Developmental Phase, the integrative nature of the Change phase relates to specific skilling, personal development, trialling before systemic programme installation, etc.

Stage 9 is called Adaptive Learning (Strategic Learning). As can be seen in Fig. 1, this is the first stage of the Integrative State of the model and so no intervention will gain strategic traction if introduced to an organization or sub-system that is operating below this stage. Processes now produce adaptive patterns and results for the organisation that represents real internal peer-comparable fitness for strategic purpose. Introvert cultures often become biased towards process and procedure over market success (Hirsh and Kummerow 1990, Bridges 1992) which signals the next level of the model.

Stage 10 is called Complex Adaptivity (Competitiveness). A product or service is competitive when it is as good as it can be as defined by parameters set by peers or competitors, or when customer expectations are exceeded. Systemically this phase is about connectedness at these levels in the marketplace.

Stage 11 is called Adaptive Complexity (Sustainable Competitiveness). The difference with this stage is that the above level of adaptability is available to the whole organisational system and systemically embedded, so that competitiveness is proceduralized. Extravert cultures have a bias towards habituating at the competitive market-led level (Hirsh and Kummerow 1990, Bridges 1992), through politicisation and fear of the mess associated with the next phase.

Stage 12 is called Complex Creativity (Competitive Advantage). At this level, the system has internalised enough process, procedure, competence and connectedness to generate its own unique responses to both the internal and external environments. This stage is marked by Competitive Advantage for organisations and Self-Expression for individuals. Habituating here is a trap for cultures defined by creativity such as Apple in its early days.

Stage 13 is called Creative Complexity (Sustainable Competitive Advantage) and refers to the systemic support for the creative level of functioning which balances support for quality and innovation and self-directed teams and collaboration are embedded. Roles and relationships are structured so that problem solving, creativity and responsible self-expression are expected. This stage can be called organizational advantage.

Stage 14 is called Leadership which arises when the system is a leading force or organizing centre for both its internal and external environment. For organizations, this is the level of fitness that signals ownership or internalisation of the wave of market change, employing the roles of educator, organizer, etc. through leading research; leading legislation in the market sector and beyond. Habituation results in autopoiesis and dangers include misalignment in e.g., M&A activity.

Stage 15 is called Sustainable Leadership. This phase involves regularly re-energising each of the growth phases.

<b>Framework Phases</b>	Greiner (1998) <i>Stages of Evolution</i>	Greiner (1998) <i>Crises of Stages</i>	Tuckman and Jansen (1977) <i>Team Development</i>	<i>SEI (2010) CMMI</i>	<i>SEI (2001) People CMM</i>
<b>Sustainable Leadership</b>					
<b>Leadership</b>					
<b>Creative Complexity</b>					Optimizing
<b>Complex Creativity</b>					
<b>Adaptive Complexity</b>	Collab-oration	"?"		Optimizing	Predictable
<b>Complex Adaptivity</b>			Performing	Quantitative Mgt.	
<b>Learning</b>	Co-ordination	Red-Tape	Norming	Defined	Defined
<b>Change</b>				Managed	Managed
<b>Unstable Equilibrium</b>			Storming		
<b>Bounded Equilibrium</b>					
<b>Reflexism</b>	Delegation	Control	Forming	Initial	Initial
<b>Tropism</b>	Direction	Auto-nomy			
<b>Incubation</b>	Creativity	Leader-ship			
<b>Core Inertia</b>			Adjourning		
<b>Gravitation</b>					

Construct Validity for the framework is high because the model is composed of disparate existent instances of learning theory that are simply placed in order of increasing integration. Table 1 maps correlations with some existing theoretical constructs within Organizational Theory and Practice. The developmental phases of the CMMI approaches, for instance, map sequentially to some of the integrative phases of the current model. Their lower stage seems to be a bipolarization comprising the entire sub-integrative division of the Holignment model. Also, Greiner's stages map sequentially to the Holignment model, and more interestingly,

the crises for each phase map onto the corresponding habituation problems highlighted for the corresponding Holignment stages.

## **4 . Discussion**

The discussion addresses the validity of the model for organization development, its practicality, and the worthiness of its potential.

### **a) Reflecting real-world growth patterns**

An case study of organizational growth that is interesting to analyse through the Holignment prism is that of Intel as outlined by Burgelman (2004). In 1985, Intel were in a state of Inertia following the failure of their original semiconductor memory business which began in 1968. In an interesting parallel to the proposed model's description of the necessary interplay between taking stock in the Equilibrial phase of what emerges from the opportunistic or Divergence phase, Burgelman (2004) describes how Intel began on their leadership strategy: "Intel had been lucky to invent the microprocessor and even more lucky to obtain the design win for the IBM PC. But it was ex post facto strategic recognition of the importance of these fortuitous events that set Intel on its highly successful course" (p.582).

They devised a plan to achieve competitive advantage in the microprocessor business. In 1987, Andy Grove moved from COO to became CEO and until 1998 achieved revenue growth of 39.5% per annum and were the clear performance leaders in the sector.

The overall outline of their historical growth is mapped along Holignment phases as follows: their strategic competence moved from technical (Learning) and competitiveness in the 70s, through design (Complex Creativity) in the mid-80s, IP (Creative Complexity) in the late 80s, brand performance (Leadership) in the early 90s, to organising the industry (Leadership) by 1998.

However, in 1998 growth slowed significantly, and with considerable correlation to the model's concept of degradation to Tropism, Craig Barrett who was COO at the time is reported to have observed that "Intel's microprocessor business had begun to resemble a creosote bush, a desert plant that poisons the ground around it, preventing other plants from growing nearby" (p. 578). According to Burgelman (2004), the degradation had occurred from a "co-evolutionary lock-in: a positive feedback process that increasingly ties the previous success of a company's strategy to that of its existing product-market environment" which equates to an initial degradation from leading the environment to habituation to being shaped by it (and particularly by symbiotic relationships with e.g., Microsoft) and this reflects an Equilibrial Level of functioning at best. This followed according to Burgelman (2004) from structural rigidity, limiting roles for management, shift from autonomous strategy to induced strategy, etc., and when the need became critical to diversify, the company clocked up a number of failures, thereby leading to the "creosote bush" analogy.

More recently, much of the company's strategic emphasis has been growth through acquisition which brings with it the other major challenge to habituating at Leadership



levels of functioning e.g., misalignment. Misalignment is one risk associated with externalising Tropism, but an internal risk relates to their emphasis on succession from within which can arise from corporate or team overconfidence as a result of success, whereas the phase of Sustainable Leadership emphasises refreshment of executive function. These tendencies raises the fear of considerable degrees of autopoiesis which is another risk of habituating at the Leadership stage, through not revitalising the learning phases. According to the current model, because of an autopoietic level of reliance on self-organising to the point of central and insulatory tendencies, the singularity associated with leadership is transformed into the singularity of Tropism which the model graphically shows is very different and definitively chaotic in nature.

#### **b) Applicability to all types of human system**

Integrative Learning Frameworks based on the Holignment model have been derived for all types of human system individuals, teams, executives, etc.: only the Dynamics are different.

#### **c) Other organizational applications (e.g., M&A, Growth, Collaboration)**

The model is applicable to many organizational activities, but three are discussed. The typical analysis of the parties to a merger is quite actuarial re. performance, process, strategic fit, etc., with some cultural or climate survey carried out to assess compatibility. A comparison of Holignment profiles from both organizations is a graphic illustration of compatibility or otherwise, and certainly a clear indicator of where differences might be critical enough to address. Many CEOs often fail to understand why their growth strategy is failing to gain traction. Not only will the model highlight weak areas where the organization will lag, it offers phase-by-phase instructions for all constructs to levels which optimise traction and sustainability. Complex interventions like introducing collaborative software will also benefit from development through the phases of related Dynamic Constructs so that collaboration will gain traction that is typically all too elusive.

### **5 . Conclusion**

The costs of failure and stalled growth are too high in complex knowledge-based socio-economic macro-systems where national sovereignty, multi-national collapse, etc. are all shown to be very vulnerable to the speed of change. The simple approach to Organization Development is outdated. The proposed model validly captures the nature of human systems and their complexity in a manner that is practical and purposeful while addressing organizational functioning and performance in a full-system and graphic manner, fulfilling its primary purpose to offer traction for interventions and sustainability for systemic growth. The model offers developmental formats for individuals, teams, leaders, subsystems of organizational functioning, and for all human systems. It surely offers a more integrative scientific approach to organization development.

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