Interdependent Leadership in Organizations

Evidence from Six Case Studies

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A Center for Creative Leadership Report

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The Center for Creative Leadership is an international, nonprofit educational institution founded in 1970 to advance the understanding, practice, and development of leadership for the benefit of society worldwide. As a part of this mission, it publishes books and reports that aim to contribute to a general process of inquiry and understanding in which ideas related to leadership are raised, exchanged, and evaluated. The ideas presented in its publications are those of the author or authors.

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Introduction

In September 2005, the Connected Leadership Project Team (Bill Drath, Rich Hughes, Cindy McCauley, John McGuire, Patricia O'Connor, Chuck Palus, and Ellen Van Velsor) undertook to design and implement a case study research project to better understand "interdependent" leadership in organizations. Our assumption was that for organizations to deal effectively with increasing complexity in their environments, new approaches to leadership are needed—approaches that are themselves more complex than current approaches. We relied on constructive-developmental theory and related frameworks (Beck & Cowan, 1996; Kegan, 1994; Torbert and Associates, 2004; Wilbur, 2000) to hypothesize about these new approaches; however, there was limited research examining organization and leadership development through a constructive-developmental lens. We chose a multiple case study research strategy based on a sample of organizations thought to exemplify interdependent leadership. This approach allowed for a detailed investigation of leadership phenomenon in several different organizational contexts. Because of the limited previous research, we also saw this study as an *exploratory* first phase of a longer-term project.

We begin the report with the theoretical frameworks and the research questions that guided our inquiry, then describe our methods and results. We end with conclusions and ideas about future directions. Appendices provide more details about methods.

Guiding Theoretical Frameworks

In this project, we view leadership as a social process that produces direction, alignment, and commitment in collectives with shared work (e.g., workgroups, teams, organizations, and communities) (Van Velsor & McCauley, 2004). Three aspects of this social process were of particular interest to us:

- Leaders: the individuals actively involved in the process of producing direction, alignment, and commitment.

- Leadership practices: the actions and routines intentionally used in the collective to produce direction, alignment, and commitment.

- Leadership culture: the taken-for-granted assumptions, beliefs, and values widely shared in the collective that determine and justify the leadership practices.

We used constructive-developmental theory as our main theoretical lens. Constructive-developmental theory refers to a stream of work in psychology that focuses on the development of meaning and meaning-making processes across the life span (see McCauley, Drath, Palus, O'Connor, & Baker, 2006, for an in-depth review of the use of this theory in the leadership field). The theory is "constructive" in the sense that it deals with a person's construals, constructions,

and interpretations of an experience, that is, the meaning a person makes of an experience. It is "developmental" in the sense that it is concerned with how those construals, constructions, and interpretations of an experience grow more complex over time. The basic propositions of constructive-developmental theory are the following:

- People actively construct ways of understanding and making sense of themselves and the world (rather than "taking in" an objective world).

- There are identifiable patterns of meaning-making that people share in common with one another; these are variously referred to as stages, orders of consciousness, ways of knowing, levels of development, organizing principles, or orders of development.

- Orders of development unfold in a specific invariant sequence, with each successive order transcending and including the previous order.

- Because subsequent orders include all earlier orders as special cases, later orders are more complex (they support more comprehensive understanding) than earlier orders; later orders are not better in any absolute sense.

- Developmental movement from one order to the next is driven by limitations in the current way of constructing meaning; this can happen when people face increased complexity in the environment that requires a more complex way of understanding themselves and the world.

In this study, we use constructive-developmental theory not so much to look at individual psychological functioning, but rather to examine the collective phenomena of leadership cultures and practices. Others have also applied constructive-developmental theory to the functioning of collectives (Torbert and Associates, 2004; Wilbur, 2000). This study represents an early test of whether leadership cultures and practices can be usefully understood through this lens of constructive-developmental theory. From this perspective, leadership cultures and practices can be broadly characterized as dependent, independent, or interdependent (see Table 1 for our initial, tentative descriptions of the different cultures/practices). Organizations are assumed to develop from predominantly dependent to predominantly independent to predominantly interdependent leadership cultures and practices. Each later culture transcends and includes the prior culture and is more complex than the previous one. Greater complexity of internal organizational culture is assumed to be necessary to adapt to more complex market and environmental challenges.

Table 1

**Descriptions of Dependent, Independent, and Interdependent
Leadership Cultures and Practices**

Dependent leadership cultures and practices are broadly characterized by the assumption that only people in positions of authority are responsible for leadership. This assumption may lead to organizations that emphasize top-down control and deference to authority. In general, dependent cultures can be thought of as "conformer" cultures. Other characteristics associated with dependent cultures are the following: concentration of decision-making authority in a few senior positions, seniority and position levels as an important source of status, a conservative approach to change, an emphasis on keeping things running smoothly, and the tendency to smooth over mistakes publicly.

Independent leadership cultures and practices are broadly characterized by the assumption that leadership emerges as needed from a variety of individuals based on knowledge and expertise. This assumption may lead to decentralized decision making, high demand for individual responsibility, strong reliance on experts and expertise, and competition among experts. In general, independent cultures can be thought of as "achiever" cultures. Other characteristics associated with independent cultures include the following: individual performance as an important source of success and status, an emphasis on taking calculated risks, open disagreement, and independent actions within functions or workgroups.

Interdependent leadership cultures and practices are broadly characterized by the assumption that leadership is a collective activity that requires mutual inquiry and learning. This assumption may lead to the widespread use of dialogue, collaboration, horizontal networks, valuing of differences, and a focus on learning. In general, interdependent cultures can be thought of as "collaborative" cultures. Other characteristics associated with interdependent cultures include the following: the ability to work effectively across organizational boundaries, openness and candor, multifaceted standards of success, and synergies being sought across the whole enterprise.

In the current project, we were particularly interested in characterizing interdependent leadership cultures and practices. We theorize that interdependent perspectives have been emerging in organizations in recent years commensurate with the rise of globalization and information networks, though they are not yet widespread. Thus leadership practices built from this perspective are newer and less familiar in organizations.

For each type of culture, there is a different underlying "logic" or way of understanding the organization. We extrapolated from Kegan (1994) to describe the interdependent logic in terms of three interrelated frames.

1. **Intersystemic framing** means seeing the organization and its environment as a product of the interaction of systems. Thus, in general, organizations using this frame value the *interaction among various people, functions, and constituencies as sources of identity and knowledge*.

2. **Dialectical framing** means seeing how beliefs and values are always entangled with their opposites. Thus, in general, organizations using this frame value *learning from differences and engaging with paradoxes*.

3. **Transformational framing** means seeing the core identity, mission, and strategy of the organization as being open to revision and change. Thus, in general, organizations using this frame value *inquiry into the identity of the organization to bring about useful change.*

Research Questions

At the beginning of the project, we articulated a set of research questions:

1. Do interdependent leadership cultures and leadership practices exist?

2. If so, what are they and what characterizes them?

3. What influences their emergence/development?

4. What outcomes are produced (or not produced) by interdependent culture and practice?

5. How are such outcomes produced (or not)? How are such outcomes sustained over time?

This report focuses in detail on data related to the first two questions. The data produced in the current study related to the third and fourth questions are more limited; however, we do share our insights related to these questions. The last question is beyond the scope of the present phase of the study. In other words, the current study focused primarily on discovering and describing interdependent leadership cultures and practices.

Methods

Recruiting and Screening Organizations

We began by recruiting and screening organizations to be included in the study. We initially set the goal of recruiting ten organizations. Ideally, we wanted a mix of for-profits and nonprofits. Because the research team was based in the U.S., we expected to more easily recruit U.S.-based organizations but wanted to include at least one organization headquartered in Europe and one in Asia in our sample. We also did not want to include organizations smaller than 500 employees. Small organizations generally have less complex operations, and findings from larger organizations are more generalizable to CCL's client population.

We recruited organizations by circulating a Call for Candidate Organizations (see Appendix A) among our CCL colleagues and our professional networks. Because we wanted to include an organization in the study only if there was some initial evidence of interdependent culture and practices in the organization, the Call for Candidate Organizations listed what we hypothesized to be telltale signs of interdependent framing. Our colleagues' knowledge of an organization was our first screen in looking for appropriate research sites. Our second screen was a conversation with a high-level individual in a nominated organization to obtain confirmation that some of the telltales did exist in his or her organization.

Twelve organizations were nominated by a team member or colleague. After reviewing organizational information related to the telltales during the screening process, the research team considered nine of these organizations as viable candidates for the study. Six of the organizations agreed to participate in the study. Three of these organizations were for-profit, and three were nonprofit. One organization was headquartered in Europe, the remaining five were headquartered in the U.S. More detailed descriptions of each organization can be found below in the Participating Organizations section. Although we did not obtain the number and diversity of organizations that we initially hoped for, we felt that the sample was adequate given that we saw this as the exploratory phase of a longer-term initiative. We also discovered during the study that two of the organizations (or the part of the organization we were studying) had fewer than 500 employees. However, since they had passed our other screens and we had begun our work with them, we kept them in our sample.

Data Collection

Each case study organization was assigned a two-person research team (the one exception was the Europe-based organization, which had only one primary researcher). In order to support ongoing learning among research team members, we purposely paired team members who had less previous experience working together on a project.

As is typical with case study research, we used multiple data-collection methods: interviews, surveys, observations, document review, and focus groups. Because this was an exploratory case study, we created most of our data-collection tools from scratch. Our primary data-collection tools included the following (see Appendix B for a full description of each tool).

- Key Informant Interviews: Semi-structured interviews with senior executives and others in the organization with responsibilities for major organizational processes and systems. We sought interviews with people in charge of strategic planning, human resources, and external relations management, as well as processes more unique to a particular organization's mission or industry. The purpose of the interviews was to learn more about these processes and systems and the degree to which they reflected interdependent framing. Between five and thirteen key informants were interviewed in each organization. In four of the case study organizations, most or all of the key informant interviews were conducted by phone. In the other two, most were conducted face-to-face.

- Story-Based Interviews: Semi-structured face-to-face interviews with a "diagonal slice" of employees (i.e., employees from a variety of levels and functions). The purpose of the interviews was to collect specific and very concrete stories about how leadership outcomes (direction, alignment, and commitment) have been achieved in the organizational experience of the interviewee. Eight to ten story-based interviews were conducted in each organization. The key contact in each organization selected the interviewees and asked them to participate in the study.

- Walk About Culture Tool: An ethnographic tool for systematically observing and recording aspects of the organizational environment, including artifacts, language, rituals, norms, physical environment, and interactions with employees. Each case study researcher used the tool for recording observations made during each visit to the organization. Typically, two two-day visits were made to the organization for data-collection purposes.

- Organizational Survey: The purpose of the survey was to collect data about the following.
  (a) Leadership outcomes in the organization (i.e., to what extent is direction, alignment, and commitment present in the organization?). Item content that reflected aspects of direction, alignment, or commitment in organizations that had been generated for a previous project and was adapted for the current project.
  (b) Leadership culture (i.e., to what extent does the culture show signs of dependent, independent, and interdependent beliefs and values?). A version of the Culture Evaluation Tool (CET) was utilized. This instrument is under development and had used a grounded theory approach to develop item content.
  (c) Leadership practices (i.e., do interdependent leadership practices exist in the organization, and if so, what do they look like?). Items derived from a subset of the interdependent framing telltales were crafted for this study.

It is important to note that the survey consists of measures that are in early stages of development, and although the results were plausible to the organizations that generated them, the measures have not yet been subject to a formal validation process.

An initial review of the Organizational Survey by colleagues and by some of the key contacts in the participating organizations led to an effort to simplify the language used. Rules for Simplified English (SE) were used in simplifying the language in the survey. SE was developed so that documents written in English could be understood by people who lack English proficiency.

For the most part, the organizational survey was administered online. In three companies, some employees did not have Internet access; thus paper copies of the survey were provided along with a business reply-by-mail envelope for returning the survey to CCL. Participation was voluntary and anonymous. One organization elected not to administer the survey because it was in the midst of another major organizational survey and did not want to detract from that initiative.

Although our goal was to obtain a representative sample of survey respondents across organizational levels and functions, this was not possible in each organization. Both managers and nonmanagers were represented in all but one organization (in this organization, we administered the survey to managers only because the organization was most interested in the perspectives of this group). The samples tended to be more representative of home office or headquarters employees than of employees at local offices or units. Response rates varied widely across organizations (16 percent, 33 percent, 50 percent, 51 percent, and 95 percent).

In addition to these four primary data-collection tools, we reviewed organizational documents to learn more about the organizational context and also to learn about organizational values, beliefs, and practices. For all organizations, this included annual reports and public Web sites. Some of the following types of documents were reviewed for each organization: organizational newsletters, strategic objectives and plans, statements of organizational values, videos describing organizational initiatives, climate survey results, minutes of meetings, and sales and marketing material.

Case study team members also kept individual journals describing what they were noticing about the organization; personal reactions to what they read, saw, or heard in the course of collecting data; and any sense-making they were generating (e.g., hunches, assumptions, or hypotheses). Using Torbert and Associates' (2004) action inquiry framework, we supplemented our third-person (more objective) data with this first-person (more subjective) data. We also generated second-person (intersubjective) data when the two researchers assigned to a case compared notes and discussed their insights during the process of data collection. We were less systematic in capturing this intersubjective data.

After initial analysis of interviews, surveys, and documents, the two case study researchers for each team identified topics, practices, or initiatives that appeared to reflect interdependent framing and that they wanted to learn more about. Typically this additional learning took the form of a focus group discussion during which the researchers posed questions to a group of employees who were most familiar with the topic/practice/initiative. Focus group size ranged from four to ten individuals. Focus groups are useful for gathering multiple perspectives and for understanding underlying dynamics revealed as participants build on each other's descriptions, agree or disagree, and remind each other of examples or exceptions. In some cases, focus groups were supplemented by observing groups in meetings or by additional one-on-one interviews.

Data Analysis Process

Case study teams first analyzed each type of qualitative data separately (key informant interviews, story-based interviews, walk about observations, and documents), identifying what aspects of the leadership culture and practices reflected interdependent, independent, and dependent framing. Themes from this analysis were combined with survey and focus group results to generate a case study report for each organization. These reports were shared and discussed with the key contacts at each organization. It is important to note that, while we found some evidence of interdependent leadership cultures and practices in all six organizations, we are not claiming that interdependence was the primary or predominant mode in all six.

To look more closely at the question of what characterizes interdependent leadership cultures and practices, each case study team extracted from its case study report any organizational processes, ways people worked together, or shared values and norms that it saw as reflecting interdependent framing. The entire project team then reviewed all the extracted material across cases and discussed (and sometimes challenged) why it reflected interdependent framing. A framework for organizing the extracted material evolved over the life of the project.

The three theory-based frames that characterize interdependent logic served as the primary criteria for classifying a practice or cultural norm as interdependent. As we examined the data with this framework, particular characteristics stood out to us as indicating that an interdependent frame was operating *to some degree*.

1. Intersystemic framing (seeing the organization and its environment as a product of the interaction of systems):

   - People with diverse perspectives working together to create new solutions or opportunities.

   - People engaged in mutual influence, shared sense-making, or co-construction of direction, alignment, and commitment.

   - People collaborating to enhance the effectiveness of the total system (rather than just the effectiveness of their individual units) and to develop their collective competence.

   - People expressing an open-systems perspective (e.g., any system is part of larger systems, systems have permeable boundaries).

2. Dialectical framing (seeing how beliefs and values are always entangled with their opposites):

   • People engaged in dialogue to explore differences.

   • People actively managing organizational polarities.

3. Transformational framing (seeing the core identity, mission, and strategy of the organization as being open to revision and change):

   • People engaged in continuous change processes, seeing change as normal and desirable.

   • People indicating that collective development requires individual development and vice versa.

Another indicator was whether a practice appeared to transcend and include independent entities (i.e., independent individuals or independent groups). Did the practice encourage autonomous, self-defining individuals (or groups) to work together in integrated ways while maintaining their differentiation?

Making Sense of the Research Findings with the Participating Organizations

Each case study team wrote a case report for the organization it studied. Team members shared the report initially with their key contacts in the organization to get reactions and input. For several of the organizations, the case study team also presented highlights of the report and discussed the findings with a larger group of senior managers.

Each case study team also gauged the key contact's level of interest in meeting with representatives from the other organizations participating in the study to further discuss the findings and to learn more directly from one another. Each organization expressed an interest in such a meeting, and the CCL project team designed a one-and-a-half day Learning Forum for representatives from the participating organizations. One to five senior staff attended from each organization along with five members of the CCL research team.

Before the Forum, each participant received a copy of an earlier draft of this report to review. During the event, each organization shared a story with the group that illustrated interdependent leadership in its organization, and participants provided feedback and reactions to the draft report. The participants also generated topics that they wanted to explore in more depth, and using a modified Open Space methodology, they self-selected into groups for discussion around these topics. The stories, feedback, and discussions were documented by CCL staff participating in the Forum and became a further resource for understanding interdependent leadership in these organizations.

Participating Organizations

During the data-collection and analysis process, the identity of participating organizations was confidential. At the end of the Learning Forum, we discussed the pros and cons of the organizations' remaining anonymous in our documentation and dissemination of the research

findings. Anonymity could be achieved through the use of pseudonyms for organizational names and omitting identifying details about the organization. Five of the organizations decided to have their identity known in the research report, and one organization decided to remain anonymous (we use the pseudonym "National Nonprofit" for this organization).

Abrasive Technology, Inc.

Abrasive Technology (ATI) is a globally integrated company with headquarters in Ohio that designs, manufactures, and markets products for superabrasive grinding and tooling. Founded in 1971, ATI has nine plant locations in four countries and about 425 employees worldwide. The company owns numerous patents and continues to innovate and develop new products and processes. ATI has expanded through sustained internal growth as well as a series of strategic acquisitions over the years. ATI has thousands of custom-engineered and in-stock products serving the aerospace, automotive, ceramics, glass, lapidary, medical and dental, stone, textiles, and tool and die industries, among others. The company is ISO 9001:2000 certified, which means it has met stringent objective criteria for quality.

A key feature of ATI is its process-centered organization. In this approach, specific work processes (rather than overall functions) are the core organizing principle. Work processes include manufacturing processes such as machining, bonding, and plating; marketing and sales processes; human resource processes; and leadership processes. For each process there is a process team consisting of associates and a process engineer. The process engineer's responsibility is to improve the overall efficiency and effectiveness of the process continually—not to act as a supervisor. Operation-level associates and process engineers work in close collaboration to make day-to-day decisions that assure the quality and timeliness of the process. Many associates are cross-trained and routinely make decisions, move themselves from process to process, and otherwise act to meet emergent manufacturing and delivery needs. This calls for ongoing lateral communication and coordination among process teams. A special role in the process-centered organization is that of the coach. Coaches partner closely with process engineers providing counsel to individuals and whole process teams on training and development, teamwork development, conflict resolutions, 360-degree biannual performance reviews and discussions, and other human resource concerns. The process-centered organization is designed to provide a positive focus for associates and reward them for individual, team, and overall organizational success. The goal is the continuous improvement of all of the organization's processes.

DriveTime

DriveTime owns and operates the largest chain of used-automobile dealerships in the United States exclusively for subprime customers—people with modest incomes who have experienced credit difficulties. They operate over 90 dealerships in nine states and 13 inspection and reconditioning centers, employing over 2,000 people.

The company went private and was rebranded in 2002 with a vision of innovation, quality, and outstanding service. And yet, the legacies and traditions of the low-end used-car industry are

powerfully in the opposite direction of such a vision. Prior to 2002, DriveTime was probably typical of the industry. The new CEO (an industry outsider) set the task of building a very different kind of company, one with an integrated value chain, a proprietary credit model, and a culture of quality and service. A main strategy has been to transform the culture. Four years later, the company is doing well by many measures, including impressive evidence of a changing culture that supports the business strategy. The three main avenues for culture change at DriveTime are vision, projecting the vision into the work, and leadership development.

The CEO brought the new vision—but the vision had also been forming among the existing cadre of managers. Initially there was a core team of senior leaders who collaborated on the new vision and business model. Many qualities characterize this vision—*making a difference in people's lives; open lines of communication; constructive debate; no fear of change; a fun and balanced work environment based on trust, loyalty, and integrity.* Most importantly, the senior team started trying to live this new vision in its work with each other and with the organization. To develop its leadership, DriveTime has adapted the leadership models and techniques of Bill Torbert that describe leadership as a collaborative process (Rooke & Torbert, 2005) and has begun to formally identify the developmental needs of its leaders and provide workshops, coaching, and other forums for development.

National Nonprofit

National Nonprofit (a pseudonym) is a large, not-for-profit, global membership organization devoted to youth development. Governed by a National Board of Directors, National Nonprofit has its headquarters in the northeastern United States. The headquarters staff includes 400 employees responsible for developing programs and otherwise supporting National Nonprofit's affiliate organizations and membership. Most of the people who work for National Nonprofit through these affiliates are volunteers. National Nonprofit works in partnership with many corporate, government, and individual supporters.

Recently, the organization has undertaken a massive transformation that included a reorganization of its headquarters operation and the affiliate organizations that deliver programs. Before the reorganization, there were about 300 of these affiliates. Many of them drew members from the same geographic area and otherwise encountered overlaps in their work. As a result of the reorganization, there will soon be about 100 affiliate groups. This massive effort required that the national headquarters work in close collaboration with the affiliates. In addition, the reorganization included a realignment in structure that resulted in a staff reduction at the headquarters operation. The impetus for this huge change was to position the organization to continue to be able to pursue its mission and remain relevant to its members for many years to come.

Wilh. Wilhelmsen

Wilh. Wilhelmsen is a leading global provider of maritime services, including shipping, logistics, and ship management and services. With some 13,200 employees (about 22,000 when partly owned companies are included), the organization has 388 offices in 70 countries and

cooperates with partners in an extensive global network. Listed on the Oslo Stock Exchange, Wilhelmsen is headquartered in Norway. Over the last two decades it has experienced significant growth, primarily through acquisitions and partnerships. It has transformed itself from a traditional shipping business with an emphasis on owning and operating vessels into a global supplier of maritime services. Wilhelmsen had a record financial year in 2006—which the CEO attributed to good market conditions, more efficient operations, and the exploitation of synergies among its various operating companies.

Wilhelmsen sees a main driver of its success to be its corporate values: empowerment, learning and innovation, being customer centered, stewardship, and teaming and collaboration. The organization aims to be an innovator and pioneer in the maritime services sector. It also has a long tradition of being concerned with good working conditions, the natural environment, and social responsibility. Employee experience and knowledge is seen as providing the bedrock for all Wilhelmsen's activities; thus developing employees takes a high priority in the organization. An in-house educational institute, Wilhelmsen Academy, was established several years ago to meet this challenge; it provides a full range of courses and development programs for employees worldwide.

Catholic Healthcare Partners

Catholic Healthcare Partners (CHP) is one of the largest not-for-profit health systems in the United States. Headquartered in Ohio, the system consists of more than 100 organizations in a five-state region, including acute care hospitals, long-term care facilities, housing sites for the elderly, home health agencies, hospice programs, and wellness centers. The organization has about 35,000 employees and 7,500 affiliated physicians. A faith-based organization, its mission is to extend the healing ministry of Jesus by improving the health of its communities with emphasis on people who are poor or underserved.

The organization was built out of a series of consolidations of independent, regionally based healthcare organizations. CHP makes use of a federalism structure in which the regional organizations maintain their local identity while also being part of the larger CHP system. This structure is designed to integrate the local strengths of responsiveness and creativity with the system strengths of resources and pooled knowledge and expertise.

CHP must deal with the multiple, complex challenges facing the healthcare sector—rising costs, complicated payment-for-services systems, rapid advancements in medicine and technology, competition for professional employees, medical errors, and public image problems—as well as the day-to-day challenge of integrating mission attainment and financial viability. To deal effectively with these challenges, the organization aligns its major initiatives around key results areas articulated and developed through a strategic planning process. Currently, the organization is focused on excellence in five areas: quality, human potential, physician relationships, regional growth, and stewardship.

Resources for Human Development

Resources for Human Development (RHD) is a nonprofit organization based in Philadelphia with over 100 programs and more than 3,000 employees in ten states. RHD partners with government, foundations, corporations, and other agencies to provide health and social services (primarily residential programs for dependent populations) in a variety of challenging contexts.

RHD was begun in 1970 by a founder with the vision of a human services organization that would be an ethical and equitable workplace serving the common good and at the same time be fiscally responsible and well managed. From the beginning, RHD has been able to define and instill a specific set of beliefs among all employees, consisting of assumptions, values, and simple rules for organizing (e.g., there is no single right way; decentralize what you can, centralize what you must). These basic beliefs directly produce effective actions and unique practices throughout this organization, which have in turn led to shared direction, high levels of mutual commitments, and a unique form of decentralized management.

These beliefs were always understood as strategically vital in pursuit of the founder's vision of "the common good corporation." These beliefs at RHD are kept active through ongoing open and honest dialogue, through training, and by example. The result is a certain kind of corporate culture that channels the actions of employees and even by extension those being served by RHD.

At RHD, decentralized units (delivering social services) are fully empowered to creatively serve the needs of their consumers. At the same time, fiscal oversight is maintained centrally. New funding builds on the successful, fiscally responsible execution of existing contracts. Units are linked by a strong and unique culture and by voluntary peer networks. The right balance between centralization and decentralization is continuously explored in open dialogues. Responsible, creative risk taking is a natural part of doing the work.

The strategy in this case was successful. RHD has experienced a 28 percent average annual growth since 1970, with current annual revenues of $145 million. RHD is respected by its constituencies for high quality work and as an outstanding workplace. The founder's vision of an economically successful common good organization with a unique set of socially oriented values has become real.

Results

The results of our case studies are presented in four sections:

A. The leadership cultures and practices that we learned about (through interviews and observations) in the case study organizations that are consistent with an interdependent frame.

B. The survey data, which show the degree to which employees perceive an interdependent leadership culture and leadership practices in their organization.

C. What we learned about the antecedents and outcomes of interdependent leadership cultures and practices.

D. Themes from the Learning Forum.

A. Interdependent Leadership Cultures and Practices: Qualitative Data

We examined all the descriptions of interdependent leadership cultures and practices identified in the six cases and grouped them into ten categories.

1. organizing structures
2. executive team
3. organizational planning
4. lateral integration mechanisms
5. pay and benefits systems
6. social responsibility initiatives
7. statements of organizational values
8. making decisions and solving problems
9. dealing with differences and conflict
10. facilitating organizational change and adaptation

The first seven categories represent more formal organizational structures, systems, and processes. For each of these categories, we note the characteristics of interdependent practices identified in the category, and we provide examples of specific structures, systems, and processes within the case study organizations that reflect more of an interdependent logic. We are not saying that the specific examples we point out reflect a fully formed interdependent logic, but we think they all reflect, at minimum, movement toward an interdependent logic.

The remaining three categories (making decisions and solving problems, dealing with differences and conflict, and facilitating organizational change and adaptation) represent clusters of organizational work that people are engaged in fairly constantly at many levels throughout the organization. Organizations tend to develop particular patterns or ways of carrying out work in each of these clusters. We identified patterns (or emerging patterns) in the case study organiza-

tions that reflect more of an interdependent logic. Again, it is important to note that this does not mean that the pattern had become predominant in the organization.

The distinction between organizational patterns of work and organizational structures, systems, and processes is somewhat fuzzy and thus a bit artificial. Clearly there are connections between the two (e.g., the functioning of the executive team may be an aspect of a broader pattern in how decisions are made and conflict dealt with in the organization). However, we think the distinction is useful in the sense that individuals (particularly those with high levels of formal authority in the organization) have more direct control over the design of organizational structures, systems, and processes; whereas, organizational patterns result from the accumulation of many actions taken over time throughout an organization (within and sometimes outside of the formal structures, systems, and processes).

It is important to note that our exploration of interdependent cultures and practices in each of the organizations was by no means exhaustive. There may have been many more examples of practices and aspects of the culture that we did not come in contact with in an organization that are not included in this report.

1. Organizing Structures

Following are characteristics of interdependent ways of structuring the organization:
- encourages interaction across the organization
- minimizes hierarchical differentiation
- supports members gaining a more comprehensive perspective on the organization as a whole
- engages an organizational tension or paradox
- reproduces the whole system in subunits of the organization, thus maintaining intimate interaction among diverse perspectives

Following are examples from the case study organizations.

Process-centered organization (Abrasive Technology). A process-centered organization is organized around work processes rather than around functions and positions. There are no traditional vice presidents, managers, or supervisors. Rather there are "process engineers" whose responsibility is to collaborate with members of the process to improve its overall efficiency and effectiveness and "coaches" for individual and team development. The process-centered organization encourages a potentially high degree of interaction both within and across processes. As such interaction grows and continues to develop, and as it is increasingly directed toward an understanding of what work is being done and why, employees can begin to acquire a more comprehensive perspective on the organization overall.

Interdependent organization (DriveTime). DriveTime replaced its vertical functional structure with one in which all functions (while still retaining functional identities) operate as a unified system with shared organizational objectives and values. This structure is more like an organic process than a formal architecture. It is described by one leader as "a balancing act to create just enough structure." The functional subsystems (inventory, sales, customer service, finance and collections) are expected to self-organize in relation to one another in seeking coordinated solutions to organizational challenges. The result is a network of formal and informal managerial relationships with low emphasis on hierarchy and a high emphasis on intimate and intense interpersonal connections. (We should note that DriveTime had been exposed to the dependent-independent-interdependent framework prior to beginning the case study research and had intentionally adopted the interdependent label.)

A federation of 100 affiliates supported by a national headquarters (National Nonprofit). Governed by a National Board of Directors, National Nonprofit has its headquarters operation in the northeastern U.S. It is comprised of about 400 employees responsible for developing programs and otherwise supporting National Nonprofit's (soon to be 100) affiliate organizations and more than 3.8 million members. While the headquarters is structured in a fairly traditional and hierarchical way, there is a strong belief on the part of the executive team that moving the headquarters to a culture characterized by less dependence on authority and more shared leadership is an important step in the team's overall change effort. What seems interdependent about the National Nonprofit organizing structure is the wider design and relationship of headquarters to the affiliates. Each affiliate is independent and has its own CEO and executive team, more akin to franchisees or parts of a federation than to "branch" operational units. Most decision making is decentralized, with national headquarters seen as responsible for overall strategy, program design, and support of the affiliates as a whole. There is a strong belief at headquarters that headquarters actions and problem solutions should align primarily with affiliate needs. Affiliate CEOs and their staffs (as well as members and volunteers) are regularly included in decision making and problem solving meetings and have significant influence over the direction of the organization as a whole.

Co-ownership of operating companies (Wilhelmsen). Wilhelmsen co-owns two operating companies on an equal basis with another shipping company (i.e., each owns 50 percent of the operating companies) and shares ownership of a third operating company with two other partners. These operating companies represent a large part of their core shipping business. Such partnerships are known as "collaborative commerce" in the shipping industry. This co-ownership arrangement engages a paradox: pursuing what is in the best interest of the organization versus what is in the best interest of the partnership.

Federalism governance model (Catholic Healthcare Partners). CHP can be thought of as a federation of nine regional healthcare operating systems and a central office that houses strategic functional expertise. Each region maintains its distinctive organizational name and is headed by a CEO who also has the title of SVP of the CHP corporation (which reflects the CEO/SVP's dual role of leading his or her region and jointly managing the operations of the total system). This structure allows the organization to take advantage of being both big and small. More importantly, it brings together regional perspectives and system perspectives in an effort to manage the local/global organizational polarity.

Decentralize what you can, centralize what you must (Resources for Human Development). This has been a guiding principle since the founding of RHD. As a result, the bulk of alignment and coordination of work is done locally within the units. What must be centralized, as RHD believes and practices, are two key aspects of the corporations. First, fiscal oversight is maintained centrally in order to act responsibly toward funding sources and to maintain the integrity of the corporation. Fiscal management, however, is decentralized—local units keep all but around 15 percent of their funding and retain local control over budgeting, hiring, contracting, and purchasing. Secondly, cultural values and norms are taught and reinforced by RHD as part of a single corporate identity.

Hubs (Resources for Human Development). Hubs are administrative groupings of several units and are the mechanism through which fiscal oversight is centrally coordinated. Hubs also coordinate other support and communications activities needing a central channel. The current Hub structure is meant to approximate the "smallness and intimacy" of relationships and diversity of units within a tightly knit community, as experienced in the early days of RHD when the scale of work was still relatively small and local. Hubs are intentionally diverse in their units' programmatic specialties. This combination of smallness, intimacy, and diversity is deliberately valued and cultivated as a way of producing transformative learning across narrower perspectives in order to foster creative solutions for emergent consumer needs. This practice is coupled to the belief that homogenization of viewpoints within narrow specialties runs the risk of stifling creativity and adaptation. Overall, Hubs are explicitly a way of participatively managing the ongoing dialectic of centralization/decentralization.

2. Executive Team

Following are characteristics of executive teams operating from an interdependent perspective:

- Openly expressing viewpoints and exploring them through dialogue.
- Engaging with one another in mutual influence and co-construction of new perspectives.
- Operating as an open system with permeable boundaries that supports mutual influence with the larger organization.

Following are examples from the case study organizations.

DriveTime Senior Team. The senior team has engaged a development process called *developmental action inquiry* (Torbert and Associates, 2004). This includes personal and team coaching around ways of being and acting in the world (or "action logics"), as well as workshops and activities to promote double- and triple-loop learning (Argyris, Putnam, & Smith, 1985; Torbert and Associates, 2004) among themselves and others. A key purpose of this development process is to create collaborative relationships among managers who have independent points of view and yet are interdependent with one another in the ways they work and relate. The hierarchy of the senior team is de-emphasized in favor of an open network of relationships in which the senior team's authority is central rather than top-down.

Wilhelmsen Corporate Management Team (CMT). The team has engaged in a development process (aided by a coach) to create a team environment in which members are self-aware and open to others. This includes giving public feedback to one another and sharing feedback they've received from others. Good relationships are also fostered by getting to know each other as whole people (not just in work roles). There is an emphasis on getting all the views on the table so that the team can find good solutions—not compromises but rather reaching consensus about the best strategy among the various alternatives. Members of the team often have strong viewpoints but can also change their minds in discussion with others.

Catholic Healthcare Partner Executive Management Team (EMT). The team undertook a year-long individual and team coaching experience to develop its ability to engage in open and honest dialogue in discussing and making system-level decisions. The team members practice balancing advocacy and inquiry and are sensitive to the polarities in their joint work. Such conversations are viewed as important for reaching decisions that all parties can support. Natural subgroups of the executive team made up of members who share common work meet in separate forums, generating more space for candid discussion. The team also builds in time for reflecting on its meeting processes and learning together.

Resources for Human Development. Senior management deliberately maintains a minimum amount of centralized authority for the management team. Corporate strategy is developed throughout the organization, with senior management participating rather than driving the process. Senior managers have workspaces without walls in the common area with all the other workspaces. Once a month, the weekly senior management team meeting becomes open to anyone in the organization and becomes a special forum known as the RHD Council Meeting. On alternative months, this meeting becomes the Extended Management Meeting, open to all people with corporate management responsibilities.

3. Organizational Planning

Interdependent planning processes open up the possibility of direction being co-constructed from multiple perspectives from throughout the organization and intentionally engage tensions or paradoxes in the organization.

Abrasive Technology. During the annual planning process, process engineers gather data from process team associates on their manpower and resource needs. This information is the basis for the plans created by the strategy process team (the senior team). Process engineers also bring plans to process team associates for discussion, and some modification of plans can result from this. At the annual September meeting, the process engineers, each representing their processes, present their operational plans, and a discussion follows in which plans are modified based on areas of conflict and synergy. As noted, further modifications come from discussion of plans with operational associates.

Catholic Healthcare Partners. Within the annual plan for the CHP system are three types of objectives: (1) Operational focus is a balanced set of outcome measures reflecting the important indicators of effective operations (e.g., quality care, employee and physician satisfaction, operating income margins); (2) Strategic objectives are sometimes referred to as "federalized" objectives, objectives that are "in everyone's best interest to do collectively, although they are likely to be disruptive to each unit" (e.g., centralizing accounts payable, a corporate-level leadership development initiative); (3) Individual regional CEO and home office executive objectives are locally selected objectives. Agreeing on the "federalized" objectives requires the most dialogue among executives; arriving at them was described as a process in which "we [leaders of regions and home office] have to talk ourselves into it." The first set of objectives engages the mission/business polarity experienced in the organization. The second set engages the local/system polarity.

Resources for Human Development. The Future Search Conference has been used by RHD for strategic conception and planning on two occasions. This process is a way for bringing

"the whole system in the room" to practice systems-thinking and to find common ground among diverse viewpoints (the many autonomous program units, for example) and under complex conditions (Weisbord & Janoff, 2007). For example, the first Future Search led to the creation of the Hub structure at RHD.

4. Lateral Integration Mechanisms

Interdependent mechanisms for lateral integration allow for direct collaboration across organizational boundaries and for co-construction of new perspectives, knowledge, and identity across boundaries.

Following are examples from the case study organizations.

> DriveTime. In creating the specialized proprietary analytical software needed for their business, DriveTime has begun using what the information technology (IT) field calls an Agile IT Development methodology. The version DriveTime has adapted is called Scrum (see http://www.controlchaos.com/). Scrum uses collaborative, cross-functional, rapidly moving teams to iteratively and incrementally develop systems and products when requirements are complex and shifting. According to DriveTime, Scrum encourages interdependence by being radically open to continuous input, formal and informal testing, and revision from anywhere in the organization. Scrum surfaces and engages conflicting needs and perspectives about the software under development by solving problems through rapid iterations (daily and monthly) of prototypes. Scrum thus accommodates continuous transformation in the organization by deliberately revisiting priorities from one iteration to the next. Scrum reinforces a whole-system view of the organization by testing iterations throughout the organization and evolving the software accordingly. DriveTime was led to this methodology by the failure of its previous practices in its IT department to meet DriveTime's rapidly changing and complex software needs. Previously its IT department used a traditional "waterfall" or sequential development methodology in which needs were first meticulously specified, and only then exhaustive specifications written, and so on. DriveTime found the waterfall methodology to be slow and inflexible and found that it reinforced the IT function as an independent "silo" walled off from other functions by its own esoteric expertise.

> National Nonprofit. Floor communicators are lower-level staff who act as a bridge between staff/operational-level employees and the senior team. This is a formal role which serves as a mechanism for surfacing and discussing questions and airing rumors from lower levels of the organization. As rumors have dissipated, the role is starting to evolve into a sounding board for senior managers for ideas that will support and

strengthen the work environment and desired culture. The floor communicators share these ideas with others and bring back reactions and additional ideas to senior managers.

Catholic Healthcare Partners. An important set of cross-regional committees at CHP are the Executive Management Team (EMT) Committees—each focused on an area of strategic emphasis in the organization (e.g., patient safety, advocacy) and made up of people from each region and from a variety of roles, disciplines, and organizational levels. The executive management team delegates work to these committees and seeks their recommendations and advice, and the committees also identify and act on issues and share knowledge and trends across regions. Another set of cross-regional committees at CHP is a network of individuals with similar roles and responsibilities working in different sites and regions (i.e., communities of practice). This network promotes the sharing of best practices, collective learning, and a shared identity.

Resources for Human Development. Issues related to growth and change are surfaced and broadly shared in open dialogue in a wide variety of meetings and corporate forums. Key issues that by emergent consensus pose an adaptive challenge (such as a threat to the integrity of the shared values and principles) are then allocated (as facilitated by senior management) staff, resources, and meeting time, drawing on representatives from all parts and levels of the organization. Two examples are "cent-decent" (centralize-decentralize) meetings and the Benefits Committee:

- RHD lives with a certain healthy tension or dialectic between centralization and decentralization, with the latter preferred but with a suitable balance attained. Lately many occasions arise in which some people advocate strongly for a centralized solution. A regular open "cent-decent" meeting is in place for the senior team to meet with anyone in RHD addressing any ideas or concerns related to this tension, with controversy actually welcomed.
- The Benefits Committee was formed by senior management to address a growing gap in benefits (especially health) between higher- and lower-paid staff. A diverse team was put together representing all stakeholders: management team members, corporate assistant directors, budget managers, unit directors, supervisors, and line staff. The adaptive challenge in this case was the widely and acutely perceived threat to the RHD value of "the equality of all people." In the end, team consensus was reached on a difficult decision for a net transfer of benefits from higher- to lower-paid employees, transforming the status quo while upholding deeper values.

Resources for Human Development. It is typical at RHD for various kinds of networks and coalitions to form among otherwise autonomous actors in response to felt needs in various aspects of shared or related work. For example, the Units Directors Network is a voluntary, regular, self-managed forum for directors of the program units, for purposes

including mutual support and exploring opportunities for alignment and direction among otherwise autonomous units. Such emergent networks and coalitions then tend to garner modest funding and other resources from RHD depending on need and results.

5. Pay and Benefits Systems

Interdependent pay and benefits systems are designed to engage a dialectical tension in the organization by using multiple, often conflicting criteria for rewarding employees, for example:

- Individual rewards based on own subsystem *and* total system performance;
- Individual rewards based on market value *and* on social values of equality and fairness.

Following are examples from the case study organizations.

Abrasive Technology. People are compensated at the individual, team, and organization level. Annual performance reviews have a merit increase attached to reward individual performance of the skills and abilities needed to work effectively in the process-centered organization (TILL: Teamwork, Information, Learning, and Language). A quarterly incentive compensation program based on team performance (products shipped) rewards people for being good team members. And the annual profit-sharing system rewards associates for the overall profitability of the company.

DriveTime. The reward system is based on a complex formula weighting toward whole company and regional performance while also offering incentives for individual and local group performance. Thus both independent and interdependent values and behaviors are surfaced and rewarded.

Catholic Healthcare Partners. Regional CEOs' incentive pay is based in part on whether shared system objectives (see earlier mention of federalized objectives) are achieved by the total system. Each region has regional goals that support the system objectives, and regional CEOs are rewarded for meeting their regional goals. But maximum rewards are available only if the shared system objectives are achieved.

Catholic Healthcare Partners. CHP's employee compensation and benefits are based on values of fairness and justice (rather than simply on market-competitive practices). For example, it pays employees in minimum-wage-type jobs a "livable wage" (i.e., income needed to support a family of four above the federal poverty level) rather than minimum wage.

Resources for Human Development. RHD has been proactive about translating its value of "equality of all people" into compensation and benefits practices. This translation has been done in a sense of creative tension with norms for the industry. Two key examples illustrate this.

- RHD caps CEO salary at 14 times the compensation of the lowest-paid full-time employee. (In the for-profit world that multiple was 431 in 2004. Equity advocates have proposed a CEO pay standard of 25 times the lowest wage.)
- RHD recently went through a process (dialogue to consensus among employees at all levels) of reforming employee benefits such that higher-paid managers gave up benefits to lower-paid staff.

6. Social Responsibility Initiatives

Following are characteristics of an interdependent stance toward social responsibility.

- Organization recognizes multiple relevant stakeholders in the economic, social, and environmental realms (i.e., owners, customers, employees, local communities, broader society) and searches for solutions that create value and synergy across these realms.
- Organization engages in cross-sector partnerships and alliances that are working toward common social-responsibility objectives and integrates these objectives into its core business or organizational mission.

Following are examples from the case study organizations.

DriveTime. DriveTime's SchoolTime Program creates and sustains regional partnerships with elementary schools serving predominantly "at risk" students. The program provides opportunities for employees to give back to their communities and provides personal and financial resources to add value to the educational experience, improve and enhance student well-being, empower and support parents, and support and applaud the efforts of teachers and students. This program allows DriveTime not only to just "do good" but also to develop relationships to better understand the customer community and be more empathetic toward this community. DriveTime acknowledges that it is dependent upon the lower-income strata of the broader community for long-term success (in ways that go beyond individual transactions), and so the organization seeks a degree of interdependence for mutual benefit. This stands in contrast to the usual norm in the subprime used-car industry of preying on the vulnerable.

DriveTime. DriveTime Cares Program is a customer assistance program in which customers faced with life-altering events are identified and helped through their problem or crisis. Assistance may include everything from bringing them current and paying ahead a few payments to directing them to assistance (e.g., church, shelter, agency for housing, agency for job assistance). As with the SchoolTime Program, the intention is to instill a degree of interdependence with customers (rather than the industry norm of exploitation) such that each party benefits in the long run. For example, it is believed that encouraging independent (self-managing) behaviors in DriveTime loan recipients will result in more reliable payments.

National Nonprofit. National Nonprofit collaborates with a variety of stakeholders, funding resources, and partners in accomplishing its work and serving members, affiliates, and volunteers. Social responsibility has always been a key focus of the National Nonprofit program, emphasizing both environmental and social aspects of care. The financial bottom line is clearly seen as subservient to the work of the organizational mission.

Wilhelmsen. Wilhelmsen is at the forefront of the shipping industry in terms of taking measures to minimize the environmental impact of its operations. Being good stewards of the environment is one of its core values. Wilhelmsen partners with research institutes and government agencies to advance sustainable practices for the entire shipping industry. Its long-standing focus on the environment is now part of a broader emphasis on corporate social responsibility (CSR). It is engaged in a collaboration (facilitated by several Norwegian educational institutions) with NGOs and government agencies to develop a shared understanding of CSR.

Resources for Human Development. RHD collaborates with a wide array of external partners, funding sources, and allies (e.g., government agencies, foundations, advocacy groups, other service providers) who share similar values and goals related to the common good. For-profit businesses are started by RHD in line with the mission of community service and development. A "double bottom line" attracts investors with social-responsibility investment "screens." The founders have recently written a book describing lessons learned at RHD with the intent that the "common good corporation" model might be applied elsewhere. RHD can thus be understood as nurturing productive interdependencies within the broader community.

7. Statements of Organizational Values

Interdependent beliefs and values can be supported by formally articulated sets of organizational values, beliefs, and principles that guide organizational behavior.

Following are examples from the case study organizations.

Wilhelmsen. The core corporate values at Wilhelmsen—stewardship, learning and innovation, teaming and collaboration, empowerment, and being customer-centered—are consistent with an interdependent belief system. A values-based culture is understood as a defining aspect of the organization—an aspect of the organization that is chosen, not one that simply evolved. The values are chosen based partly on what is viewed as "right" and partly on what stakeholders expect from the organization. The values have to be constantly nourished through communication, education and development, and feedback.

Resources for Human Development. Since inception in 1970, RHD has been based on explicit values and a "few simple rules" pertaining to "the common good corporation." These values create *both* individual autonomy and responsibility *and* interdependence in tasks and relationships. A single document called the Bill of Rights summarizes this system of beliefs and practices. The Bill of Rights is then used as the reference point for all matters of imparting the organizational culture (e.g., employee orientation, training) and discernment (e.g., conflict resolution, complex decision making). Perhaps the simplest distillation of these values is the following (per the founder): *People are basically good and trustworthy. The path between here and there is not singular, but multiple. Welcome diversity. There is no single right way.* The intended (and often realized) result of these values is collaboration among multiple strong ("right") and sometimes conflicting perspectives and paths. This type of values-based collaboration is seen as the engine of creativity and emergent strategic directions for the corporation.

8. Making Decisions and Solving Problems

The interdependent pattern is as follows: Direct collaboration across organizational boundaries (i.e., with minimum coordination orchestrated by higher management) is used as a process for making decisions and solving problems. This collaborative work brings people with diverse perspectives together for mutual influence, co-construction of new perspectives, and self-authorized decision making (i.e., the decisions don't need to be approved at higher levels in the organization). The goal of the collaborative work is to maximize system effectiveness and learning. Mutual influence and co-construction are possible to the extent that participants in the collaboration bring autonomous, self-defined views to the joint work.

Following are ways in which this pattern is emerging in case organizations.

Abrasive Technology: *Collaboration within and between process teams*. Interactions that produce alignment and mutual learning occur among process teams associates, between

associates of different process teams, and to a smaller extent between different process teams overall. Within process teams, associates work together to solve problems and make decisions that affect work flow, product quality, product and process innovation, manpower needs, and personnel problems. For example, associates often reconfigure themselves, swapping team members among different process teams, to meet emergent manufacturing or delivery challenges.

DriveTime: *Bringing together people (physically and/or virtually) from diverse areas of the business to work on a problem*. Collaboration is a deliberate process of pulling, gathering, and weighing candid, broad-based input to create solutions that span multiple areas as opposed to simply representing a narrow field of expertise. Both expert and nonexpert (and generalist) views are valued in creating fresh approaches that avoid merely adopting typical industry practices. One set of norms that supports this kind of dialogue is around informal, frequent, and intense conversations—managers at DriveTime are encouraged to talk through their shared challenges with whoever has something to offer. There is relentless alignment and coordination of work across subsystem boundaries (e.g., co-location of sales and front-end collections, and cross-training of managers across different functions). Formerly these functions were semi-autonomous (independent). Now, while the unique needs and perspectives of each function are valued, each is expected to align within an interdependent, whole system.

National Nonprofit: *Meeting with large groups*. Large groups are convened for information sharing and communication. Large group retreats function as a forum for sharing stories and surfacing issues. The national headquarters CEO has used "open mike" discussions with over 100 people on the phone to hear about issues from affiliates. This reflects both the "federated" structure of the broader organization and the widely espoused belief that leadership is and should be everywhere, that everyone is or can be a leader, that empowerment is the best process.

National Nonprofit: *Setting strategy and problem solving using large, diverse groups*. The current strategy was created by convening a large, diverse team comprised of representatives from national headquarters and the affiliates. Such groups often mix new people with long-time organizational members to gain an additional diverse perspective. Conventions involving people from across the affiliated organizations are used for policy creation and enactment. Various advisory groups of affiliate CEOs are used to review and endorse ideas, policies, and programs created at the national level. There is a strong espoused belief in the value of bringing in diverse skills and opinions.

Wilhelmsen: *Large groups working laterally across boundaries to resolve problems and to capitalize on new opportunities*. Groups often coordinate and integrate work across func-

tional boundaries. For example, a series of large meeting/working sessions (50 people) brought together the sales and operations functions of a newly merged logistics organization to better align the work in service of business development. A project brought finance and operations staff together to create new processes jointly for financial forecasting that integrated the perspectives of both functions. These are not simply cross-functional teams brought together to work on shared problems (with team members *representing* different functions), but rather teams that bring many people together across functional lines for mutual influence and learning.

Catholic Healthcare Partners: *Team-based approaches used to generate shared understanding and coordinated work across boundaries*. There are numerous examples of direction, alignment, and commitment being created across groups within CHP by people from multiple disciplines and roles working directly with one another in a more integrated way: hospital management and physicians working together to improve quality metrics, ER staff and environmental services staff working together to resolve problems in the emergency room, home office and front-line employees working together to improve aspects of the medication event reporting system. Team-based approaches are also increasingly used in direct delivery of care to patients and services to clients. CHP has been experimenting with ways to create and support these team-based approaches to patient care. For example, they have piloted a new heart-failure patient advocate role—a role that serves to strengthen the interaction and alignment among the various healthcare providers working with each heart-failure patient, thus providing more integrated and effective care to these patients. The advocates act as a catalyst for integration—using education, role modeling, advising, and creating settings for dialogue—rather than as a coordinator or formal authority directing the integration.

Resources for Human Development: *Participative decision making*. Decision making is public, participative, and as close to the needs of the consumer as possible. There is a deep reluctance to impose decisions outside of having reached a consensus. A variety of forums are in place to invite, capture, and engage employee perspectives. Information of all kinds is freely exchanged. This type of decision-making environment serves a number of purposes. First, it encourages each person to have or develop a strong voice and to express an individualized (independent) perspective—something that invites further development for many employees. Secondly, the norms around participative decision making provide venues for productive debate and conflict among the "many right paths" encouraged by the RHD values. Thus the form of consensus produced is the kind produced by robust dialogue among independent viewpoints, rather than group-think or mere acquiescence.

9. Dealing with Differences and Conflict

The interdependent pattern is as follows: Differences in perspectives among employees and among organizational groups—and the resulting conflict these differences often produce—is seen as normal and useful. Openly expressing viewpoints and exploring them through dialogue is encouraged and serves as a foundation for collaborating effectively across boundaries. The leveling of status and authority in the organization encourages more open dialogue.

Following are ways in which this pattern is emerging in the case organizations.

> Abrasive Technology: *Conflicts dealt with by teams*. Differences and interpersonal conflicts within and across process teams are the responsibility of the process teams to deal with, since in the process-centered organization there are no supervisors in a traditional sense from whom to seek conflict resolution. Coaches also play a critical role here. As one example, a coach described a problem he'd dealt with recently in the machining process. A relatively new hire had shown dependability problems (showing up late, not showing up). The process team called attention to this individual's behavior, noting that his behavior was adversely affecting the process and the team (and machining teams on other shifts as well). The process engineer and coach met with the individual, and the team members collectively confronted the individual. Despite this, the individual continued to show deficient behavior, and on the recommendation of the process team, was let go by the human resources team. But the problem was identified by the team as a whole, noting adverse impact on the team as a team.

> DriveTime: *Facilitating conflicts and difficult conversations*. Recent training at DriveTime has focused on proactively engaging in "difficult conversations" that bring to the surface conflicts of various kinds. A number of managers have actively been practicing conflict resolution, and giving and getting difficult feedback, as part of their leadership responsibility. A related norm expressed by the CEO is to "seek meaning, not harmony or happiness." Another related norm is to name and value mistakes and failures as a requisite part of individual and collective learning.

> Catholic Healthcare Partners: *Engaging in difficult conversations*. There is recognition at CHP that to meet client needs, solve difficult problems, and create a positive work environment, employees (and doctors) need to engage in open and honest dialogue with one another. Such dialogue gets more information and perspectives on the table, makes conflict more visible and thus discussable, and enhances shared learning. Engaging in difficult conversations is supported through training and development for employees (e.g., programs for developing the capability to engage in "crucial conversations," training for facilitators of cross-regional committees).

Resources for Human Development: *Constructive, active engagement of conflict and differences in perspective*. Practically every meeting can serve as a forum for airing difference and practicing respectful dissent. Formal support is in place for escalated conflict, such as the Citizen's Advocate role, in which advocates in each unit are trained to mediate worker grievances with management from an RHD-values perspective.

Resources for Human Development: *Question authority*. RHD uses the phrase (and lapel button) "question authority" to stand for a strongly held principle: that authority should be leveled (particularly with respect to its potential abuses) within the organization. The authority of the CEO and the senior team is open to questions and challenges from literally anyone in the organization. Questioning authority is seen not as an act that produces conflict, but that surfaces differences and produces dialogue.

Resources for Human Development: *Open dialogue*. Interactions tend to be open, peer-like, and inclusive. There are few space dividers in the open floor plan of the home office. Meetings are "circle oriented" and dialogical, with open agendas. Facilitators for meetings are always available as needed. Emergent consensus is the goal.

Resources for Human Development: *Equality of all people*. The dignity of each person and the equality of all people in the organization are affirmed. The principle of "role" is subordinate to the principle of "equality." This supports fluidity of relationships across boundaries and the softening of hierarchy. Interdependence is thus made possible when strong, equal, independent people are able to collaborate freely without the distorting effects of strong hierarchy and rigid roles.

10. Facilitating Organizational Change and Adaptation

The interdependent pattern is as follows: The organization is intentionally engaged in change and adaptation in relation to the larger system of which it is a part. Experimentation with new approaches is encouraged in all parts of the system with the expectation that learning will be broadly shared throughout the system. Organizational roles are flexible and evolve as needed in the larger system. Individuals and the collective are experienced as linked in mutual development. Learning is focused on producing collective competence and system effectiveness.

Following are ways in which this pattern is emerging in the case organizations.

Abrasive Technology: *Some process engineers understand their role/identities flexibly*. Although the process engineer role is designed to make the process engineer an active and co-equal member of the process team, there are times when it is more effective for the

process overall if the process engineer temporarily acts as a supervisor. This can happen around some personnel issues and when the process engineer has information that cannot be widely shared. At other times the process engineer may take on an advisory role (as when the team brings a problem it cannot solve alone). There are also times when the process engineer takes on a teaching role (such as clarifying aspects of the process-centered organization). The ability to negotiate roles that span "authority over" and "equality with" supports the leveling of status and authority.

DriveTime: *Experimentation, prototyping, and piloting as an approach to work.* DriveTime is acutely aware that norms in the used-car industry run counter to its own values and practices. Thus DriveTime strives to conceive and test new approaches as experiments rather than as imposed formal systems. Prototyping and piloting of new approaches is seen as a way to cut past conceptual disagreements by creating empirical facts for shared exploration.

DriveTime: *Managers create their roles in relation to the work as a whole*. Many middle-to-upper managerial roles are not defined in advance. Everyone takes on roles besides his or her official roles. For example, the VP of Legal Affairs is working closely with IT project development and also writes a Culture Column in the organizational newsletter. Everyone is expected to look out for the system as a whole and not be constrained by functional boundaries. Typically this involves mutual adjustment with other managers in organizing around the work itself rather than according to role definitions. For example, a recent initiative to scope out and create a lifetime warranty was staffed and vetted by a diverse and changing selection of managers, including general managers, strategists, senior team members, and financial specialists.

DriveTime: *The explicit corporate goal of system-wide interdependence is based on transforming the culture through various learning opportunities.* New beliefs and values are promoted as being even more important than new required skills. DriveTime is constantly looking for ways to develop people in line with the new culture, from on-the-job coaching to formal training programs to the way national meetings are conducted. Deep personal insight, awareness, and self-change is seen as one key to the culture change process; a high degree of developmental maturity is viewed as necessary to engage fully with others in an interdependent way. For example, DriveTime has a process called Road Trips, a weekly action learning session in which all employees in a dealership participate, looking at how all the various pieces of the corporate system work together in producing value for DriveTime and its customers. Another example is a senior role called Strategist, which is explicitly developmental. Strategist is a unique role in DriveTime to support the development of new business practices simultaneously with the development of the new culture. Strategists work within regions and travel among the dealerships as agents of corporate best

practices, innovation, and culture change. Initially, the Strategist role was not effective because strategists often became mired in problem solving instead of supporting strategy and development. Collective learning about how to enact as well as change the role over time has helped more strategists to be more effective in the desired ways. In particular, senior management framed "failure" in this role as something to be expected and actually embraced in service of rapid learning. One strategist who failed (this is the word they use publicly in their learning debriefs) was supported in growing from the experience, encouraged forward, reassigned to a different function, is now back in the Strategist role with a deeper foundation, and is doing very well.

National Nonprofit: *Inclusive strategic planning process*. The organization's CEO and its senior leadership team have worked with a number of consultants to develop highly inclusive processes for creating and implementing strategy. This resulted in a strategic planning process which involved getting people across the National Nonprofit affiliates involved in the planning and research about where they needed to head in the future. An invitation was extended to people (affiliate board chairs and CEOs, national board members, and national staff) to participate in the development of a core business strategy. All of these people were then assigned to core business strategy teams. Each of the teams was given an aspect of the core business strategy on which to work. The teams did research, gathered information for study, and shared information with the other teams. The teams worked individually and were then brought together at key points throughout the process. The shared information was analyzed in the larger group (all the teams working together). This happened over an 18-month period. A culture of responsibility, risk taking, and collaboration is seen by the senior team as key to organizational transformation and success.

Catholic Healthcare Partners: *Developmental interventions as central to organizational change initiatives.* There is recognition within CHP that alignment and commitment for new organizational directions requires developmental shifts in employees' capabilities and perspectives and in the ways they work together. This has led to investment in long-term developmental interventions that support organizational change initiatives. For example, a two-year regional change initiative to improve patient satisfaction scores by increasing prioritization, alignment, and accountability in the organization included ongoing individual and team development. Efforts to create a culture of patient safety include programs to enhance the dialogue skills of healthcare providers who often have to work in teams to deliver patient care.

Resources for Human Development: *Creative risk taking and experimentation*. Employees are encouraged (e.g., via guidelines, and explicit training) to experiment, innovate, take risks. Creativity is fostered by the values, by training, and by examples across RHD's history. An incubator program nurtures fledgling human services entrepreneurs. RHD

regularly works with external partners to develop new funding sources, programs, and work processes. For-profit businesses have been created by RHD to take advantage of potential synergies among services and needs. The "closed pharmacy," for example, is a newly created for-profit business serving the special pharmacy needs of RHD's residential units while also serving similar needs for other human service agencies.

Resources for Human Development: *Aligning around the work itself*. RHD relies on creative action of individual units and widespread collaboration to foster growth and new directions. Alignment arises out of the practical demands of the actual work being done, requiring constant formation and reformation and some chaos and ambiguity; boundary crossing is expected and encouraged. For example, a program takeover (from another service provider) on a short time frame required a large amount of flexibility and volunteering within a trusting set of relationships.

Resources for Human Development: *Values-based personal and organizational development*. RHD has a consistently strong learning intentionality: learning from others, from daily work, from tension/polarities, and from mistakes. Debriefing of critical incidents is common. For example, the Citizen Advocate role is meant to shift what might normally be grievances by workers with management into situations where all parties and their constituencies can learn from difficult situations.

B. Interdependent Leadership Cultures and Practices: Survey Data

Two sections of the organizational survey generated data about leadership cultures and practices in the case study organizations (see Appendix B for a copy of the survey).

Survey Section 2

In Section 2 (the Culture Evaluation Tool), respondents reviewed sets of three statements. They were asked to divide ten points among the three statements to show how relatively true the statements were about their organization (more points equal more true). One statement was indicative of an interdependent culture, one was indicative of an independent culture, and one was indicative of a dependent culture. The section consisted of ten sets of triplet statements.

The average number of points given to each statement in each of the five organizations that distributed the survey (labeled A, B, C, D, and E) are shown in Table 2 (see pages 34–36). The first statement in each triplet is the interdependent statement, the second is the independent, and the last is the dependent statement. Sample sizes varied by organization and are noted at the top of the table. We are intentionally not identifying organizations in this section to keep each organization's survey results confidential.

For each triplet, if one or two of the statements were given more points than the other statement(s) (operationally defined as more than one-half point difference in the averages), then the average is in bold. The triplets are grouped according to the three frames of interdependent logic (i.e., the primary frame reflected in the interdependent item in the triplet): intersystemic framing, dialectical framing, and transformational framing.

The data in Table 2 show that in each triplet, all three statements were endorsed to some degree in each organization. However, different patterns of endorsement can be seen in different organizations. For example, in organization A respondents gave more weight to the interdependent statements in five of the ten triplets, in organization B respondents gave more weight to the dependent statements in nine of the ten triplets, and in organization D responses varied more by triplet.

Only two of the interdependent statements were endorsed more strongly (than the other statements in their triplets) by three or more of the organizations: "A person's success is judged by how well he or she helps the entire organization work together as an integrated whole," and "Leaders practice continuous transformation to achieve long-term success."

Looking at the pattern of responses by the three interdependent frames, we see a tendency to more endorsement of the interdependent statements reflecting *intersystemic framing*. None of the interdependent statements reflecting *dialectical framing* received strong endorsement; the dependent statements in these triplets were most strongly endorsed across organizations. For three of the triplets with interdependent statements reflecting *transformational framing*, the independent alternative was more strongly endorsed across organizations. These results suggest that the three frames are somewhat distinct aspects of an interdependent logic. The results also suggest two hypotheses worth further exploration: (1) Intersystemic framing may be the first aspect of an interdependent logic to emerge in organizations; (2) Dialectical framing of conflicts may be the most challenging and therefore the last aspect of interdependent logic to emerge in organizations.

It is important in looking at the survey results to remember to interpret them with caution since these measures are under development and thus contain items that need further refinement and require further psychometric evaluation.

Table 2
Average Number of Points (out of 10) Given to Each Statement
(Note: First statement in each triplet is interdependent, second is independent, third is dependent)

	Organization				
	A **(n=53)**	**B** **(n=99)**	**C** **(n=128)**	**D** **(n=224)**	**E** **(n=286)**
Interdependent Statement Reflects Intersystemic Framing					
Decision Making					
Decision making involves collaboration with people across multiple organizational boundaries.	**4.32**	2.12	**3.83**	3.40	3.29
Decisions are made independently within businesses, functions, or groups.	3.02	2.76	2.22	2.64	2.73
Decisions are made by a few people at the top of the organization.	2.96	**5.02**	**3.92**	**4.03**	**3.98**
Direction During Change					
During times of change, people use diverse perspectives to create new directions together.	**4.57**	2.01	**3.67**	3.22	3.01
During times of change, individuals and groups create their own direction.	3.08	3.69	2.50	3.34	2.40
During times of change, people take direction from above.	2.54	**4.24**	**3.83**	3.52	**4.59**
Executive Decisions					
Decisions made by senior leaders create strategic synergies across the whole enterprise.	3.67	2.12	**3.54**	**3.44**	3.30
Decisions made by senior leaders proactively address needs in specific parts of the organization.	3.45	2.61	**3.50**	**3.56**	3.31
Decisions made by senior leaders are typically reactive and tactical.	3.49	**5.27**	2.85	3.08	3.39

Measure of Success					
A person's success is judged by how well he or she helps the entire organization work together as an integrated whole.	**4.98**	2.12	**4.36**	**4.62**	2.98
A person's success is judged by how well he or she makes his or her individual performance goals.	2.61	2.67	2.72	3.06	3.60
A person's success is judged by how well the person's boss thinks he or she is doing.	2.61	**5.11**	2.80	2.43	3.42
Interdependent Statement Reflects Dialectical Framing					
Disagreements					
People take advantage of disagreements to solve complex challenges.	3.17	1.51	2.91	2.55	3.01
People openly disagree and argue about things they believe are important.	**3.75**	2.60	3.20	3.21	2.92
People want to keep the peace and not make disruptions.	**3.80**	**5.89**	**3.91**	**4.35**	**4.07**
Values					
People value public truth-telling.	3.18	2.03	2.48	3.00	2.82
People value competitiveness.	1.35	3.30	3.10	2.68	2.90
People value loyalty.	**5.51**	**4.60**	**4.26**	**4.35**	**4.28**
Interdependent Statement Reflects Transformational Framing					
Leaders' Approach to Change					
Leaders practice continuous transformation to achieve long-term success.	**4.58**	2.96	**5.31**	**4.67**	**3.73**
Leaders take significant risks for significant rewards.	3.41	2.17	2.63	2.55	2.46
Leaders are fairly conservative in their approach to change.	2.77	**4.82**	2.02	2.86	**3.81**

Table 2 (continued)

Source of Status					
What makes a person important is the way he or she learns and changes with others.	**3.98**	1.82	**3.60**	3.63	2.70
What makes a person important is his or her job performance and results.	**3.96**	2.31	**3.75**	**4.06**	**3.98**
What makes a person important is his or her position in the organization.	2.27	**5.74**	2.57	2.40	3.32
Responsibility for Learning					
People take responsibility for one another's learning.	2.64	2.01	2.86	2.73	2.30
People are responsible for their own learning.	2.77	**6.18**	**3.40**	**3.62**	**4.41**
The organization is responsible for identifying what people need to learn.	**3.88**	1.80	**3.69**	**3.70**	3.26
Mistakes					
People talk about their mistakes with everyone as a way to help everyone do better throughout the organization.	2.98	1.10	3.10	2.63	2.43
People talk about their mistakes with people in their group because doing so helps improve the group's performance.	**4.33**	2.63	**3.79**	**4.32**	3.44
People do not talk about their mistakes because it might risk their future in the organization.	3.20	**6.26**	3.13	3.07	**4.11**

Survey Section 3

In Section 3 of the organizational survey, respondents indicated whether each of 12 practices were regularly done in their organization, and if so, to give an example of how they were regularly done. Although this list of practices was generated from our original telltale signs for screening organizations for the study (see Appendix A), we did not expect yes/no responses to be a strong indicator of interdependent practices. Rather we hoped that this section would generate examples of practices, many of which would be more interdependent.

Table 3 (page 38) shows the percentage of survey participants in each organization who indicated that the organization did regularly engage in each practice. The practices are organized by the three interdependent frames: intersystemic, dialectical, and transformational.

Again, different patterns of responses can be seen in different organizations. However, across organizations, the practices we associated with transformational framing were more strongly endorsed (compared to those associated with intersystemic and dialectical framing).

Although a majority of respondents in four of the organizations indicated the presence of many of these practices in their organization, most of the examples provided would not be considered an interdependent practice. For example, respondents who said "yes" to "we treat people outside our organization like part of the team," provided examples of treating people outside the organization with respect, allowing them access to facilities, educating them about the organization and how it operates, and asking for their input. None of these practices require an interdependent perspective. Some of the examples provided by respondents (e.g., jointly working on solutions together, including outsiders on internal teams and committees) are potentially more interdependent, but rarely were there enough details provided to make such a judgment. One conclusion is that endorsement of these items is *not* a particularly good indicator of the presence of interdependent practices in organizations.

C. Antecedents and Outcomes of Interdependent Leadership Cultures and Practices

From our interviews in the case study organizations, we learned about some of the factors that influenced the emergence of more interdependent leadership cultures and practices in these organizations. Because each organization's path is somewhat unique, we provide a description of what we understand about the antecedents of interdependence in each organization.

Abrasive Technology

When the current business owner bought out his former partners, he wanted to address several challenges. First, he was looking to create an environment where people were comfortable, enjoyed their work, and had fun. Second, he believed there had to be a better way to organize and manage work. As he began to read about various theories of organizing in the manufacturing industry, he began to search for a vision and structure for a new kind of organization. One book he read struck a chord with him. It described how to organize around work processes rather

Table 3
**Percentage of Survey Participants Who Indicated That the
Organization Regularly Engaged in These Practices**

	Organization				
	A (n=53)	**B (n=99)**	**C (n=128)**	**D (n=224)**	**E (n=286)**
INTERSYSTEMIC FRAMING					
We treat people outside our organization like part of our team, such as suppliers, distributors, government, customers, or other organizations.	60%	35%	80%	58%	69%
Nearly everyone helps create the organizational mission, vision, and strategy.	52%	27%	63%	42%	45%
We make decisions by involving people from different parts of the organization.	60%	44%	66%	58%	64%
Managers and workers treat each other as if they are equals.	52%	24%	58%	48%	64%
We work together, sometimes across the whole organization, to produce new products and services.	51%	38%	52%	65%	62%
DIALECTICAL FRAMING					
We talk openly and honestly with people outside the organization, even with some people who disagree with the way we do things.	53%	23%	57%	40%	61%
We treat disagreements and conflicts as a chance to learn and make better decisions.	60%	22%	65%	51%	51%
We make it safe for people to tell the truth.	59%	23%	62%	53%	66%
TRANSFORMATIONAL FRAMING					
We have ways of getting important feedback to individuals.	66%	56%	73%	64%	71%
We have ways to save and share our knowledge.	67%	27%	73%	69%	64%
We help each other learn.	76%	35%	86%	75%	70%
We take time to feel proud of our strengths as an organization.	72%	60%	79%	67%	71%

than a traditional hierarchy of departments and functions. He decided that he would reinvent the organization along these process-centered lines. His main reason for doing this was, as he put it, "to create the kind of organization I wanted to work in," an organization in which people were treated with respect as fully contributing colleagues. But instead of taking the popular advice of process reengineering the enterprise, he decided to focus on improving the process teams first and then move toward enterprise-wide improvement, launching the new initiative in 2001.

This "process-centered" organization also called for the end of traditional supervisory and managerial roles. New, nontitled roles were created around tasks to be performed. All employees were assigned a process, and each process had a continual improvement process engineer and coach to assist them with the work and their development. Individuals were no longer thought of as employees but as associates with full responsibility for managing themselves and their work in collaboration with the process coach and other process members. Perhaps the most challenging change was for associates to work for the customer through the value-chain process rather than to work for a traditional supervisor.

For a number of years, the business owner was the driving force behind the transformation. He constantly worked to instill in people the new ways. He worked with consultants to educate himself; with the strategy process team; with the process engineers and coaches; and with all the associates in the values, behaviors, and even the language of the newly emerging organization. Some people took to it immediately. Some people did not see the value in it for them, and they eventually left the organization. They have been replaced by new associates hired with the process-centered organization culture in mind. It has been a long developmental process that is just beginning to yield the expected benefits to the organization.

DriveTime

The CEO at DriveTime has a strong mandate from private ownership to reinvent the organization. This is not seen as a quick turnaround venture. Thus the CEO has some of the characteristics of a founder and entrepreneur rather than a short-term CEO. The CEO came with a unique vision about the reinvention of DriveTime, and there was strong resonance with this vision from the rest of the top team. The vision combined strong business practices in value chain integration with strong social values and ethical practices. DriveTime's industry as a whole lagged behind in both of these arenas. Combining these strengths was seen as a way to leapfrog their competitors while having DriveTime be a good, attractive place to work (also rare in the industry).

Culture development has been an explicit strategy for pursuing the vision. The nature of the new culture was not determined at the outset. Rather it evolved through inquiry among the top team and expanded to include others. Attrition and selection further strengthened shared commitment to the new culture (i.e., people not attracted to the new culture left, and people attracted to it came onboard).

One aspect of the new culture is an emphasis on experimentation, prototyping, and smart risk taking. These act as a self-catalyzing set of norms for the emergence of interdependence; in

other words, engaging in continuous learning promotes development. In DriveTime, there is also a foundation of independent logics governing semi-autonomous functions. Although this foundation is inconsistent and still developing, it is providing a platform from which interdependence can develop.

Also important is that the CEO conducts himself according to an interdependent logic, allowing those around him to "stand up" to their own highest level of development (we return to this notion of "headroom" for development in the Conclusion section).

National Nonprofit

The move toward interdependent leadership practices at National Nonprofit has been primarily motivated by a recent decline in its membership and the need to work in new ways to keep the mission relevant to its members and to position the organization as the best development program for its membership population group. This development has also been supported and made possible by the organization's CEO and its senior leadership team, who have worked with a number of consultants to develop highly inclusive processes for creating and implementing strategy.

The strategic planning process helped the organization know what to do to position the organization for the future: to make National Nonprofit sustainable, to make sure the brand is appropriate, and to ensure that governance and organizational systems align at national and local levels. The result was a clear picture of where the organization was now and where it wanted to be in the future. Teams were created to come up with ways to close the gap between the current state and the desired future. The "gap teams" were assigned according to the five strategic priorities for National Nonprofit—organizational structure and governance, National Nonprofit brand, funding, volunteerism, and programs—which were approved by the national board of directors.

This was an unprecedented inclusion in the strategic planning process. As one informant put it, some of the gap teams "struggled a little bit because people get used to doing things a certain way. This was a huge change from the normal process. It required people to think differently about what National Nonprofit could be in the future." Such different thinking involves a fundamental change in culture, including perhaps movement toward more interdependent leadership practices on a day-to-day basis.

As of now, this developmental process is just getting underway. The transition from the traditional ways of working is difficult, and some employees in the headquarters operation are experiencing stress and confusion with respect to new norms and expectations. The senior leadership team and the CEO, however, are committed to continued learning and development.

Wilhelmsen

The CEO at Wilhelmsen was the main catalyst for articulating and reinforcing the organizational values of stewardship, learning and innovation, teaming and collaboration, empowerment, and being customer-centered. He believes that an organization that lives these values will be successful at its business and will effectively meet expectations of its multiple stakeholders. He

can point to experiences in former organizations and to experiences as president of one of Wilhelmsen's daughter companies to support this belief. Although the CEO was a main catalyst, there are other senior managers at Wilhelmsen that share his perspective and have been active in its refinement and further development in the organization.

The functioning of the senior team has also been influenced by external coaches who have provided expertise and structured learning experiences to develop more open and honest dialogue on the team.

Shipping industry dynamics have also challenged Wilhelmsen to work in more interdependent ways. The notion of "collaborative commerce" among shipping companies has developed as a strategy for generating efficiencies and synergies through partnerships while maintaining individual organizational identities and control of primary resources.

Aspects of the country culture from which Wilhelmsen was founded (and where its headquarters remain) also support some of the beliefs linked to more interdependent leadership practices. Organizational members point to two aspects of the Norwegian culture as having a major influence on their organizational culture: the emphasis on equality of all people, which leads to a preference for minimal hierarchy and a reliance on lateral teamwork in the organization, and a deep respect for the natural environment, which generates an approach to business that values outcomes beyond the economic.

Catholic Healthcare Partners

A number of the interdependent leadership practices at CHP grew out of their use of the federalism governance model as an organizing concept. This model was introduced at CHP by the CEO when he came into the organization to take the top position in 1995. He believed that this model was a good fit for the evolving dynamics in the healthcare services sector. Hospitals and healthcare systems are consolidating into larger systems in order to create economies of scale. At the same time, individual units in these systems need to maintain local identity and close relationships with the local consumer and the local physician community. In other words, differentiation and integration are needed in these increasingly larger healthcare systems. The federalism model calls out the local/system tension and offers a way of managing it that capitalizes on the strengths of acting from both a local and system perspective.

Senior management at CHP also sought external expertise in developing their own and the larger organization's capacity to function effectively in the federalism model. Working across boundaries and managing polarities required skilled conversations and strategies for shared learning. Expertise, coaching, and facilitated learning from external consultants (from the organizational learning and leadership development fields) influenced the development of more interdependent beliefs and practices.

Another influence on CHP is the increasing emphasis in its field on more integrated, team-based approaches to healthcare service delivery. Just as the lack of teamwork among cockpit crew members became the focus of scrutiny in the 1980s as the airline industry tackled passenger safety issues, the lack of teamwork in operating rooms, emergency rooms, and hospitals in

general has come under scrutiny as the medical field struggles to improve patient safety. Efforts to develop more team-based approaches that break down hierarchy, improve communication among staff who are delivering care to patients, and emphasize shared learning across the broader system are primarily a response to demands for better patient care but also are supported by the demand for more cost-efficient healthcare.

Resources for Human Development

At RHD, the development of interdependence started decisively with both the founder and the founding process of the company. Much unfolded from a strong enactment of the initial conditions—a few simple rules and concepts plus an adept leader with a founding vision. Interdependence especially originated in the founding values of "multiple perspectives—no one right answer." RHD's norms around "creative experimentation and risk taking" are also important for the ongoing development of interdependence. Norms of experimentation directly support continuous organizational learning.

RHD's development of interdependence also emerged from the intentional engagement of a dialectic in the organization. Two points of view were deliberately named and managed: social justice/equity and business/fiscal accountability. This was likely a unique combination in 1970, but one seen recently in the ideas of corporate social responsibility. The initial vision was explicitly radically different from most of the rest of the field. There was a sense that nobody else was really doing it this way, even though the business case for being different was strong.

RHD developed an independent mode fairly early in its life. Each program and each group of programs formed a strong system. Behind that was a well-run fiscal management system. Thus some requisite degree of independent logics matured strongly and early—setting the foundation for the development of interdependence. Note that this competence in systemic business operations is not the norm for the social services field, which tends toward bureaucracy and inefficiencies. Also supporting the requisite degree of independent logics was the movement from an initial concentration of power within the founder and his peers to authority being delegated out into the operations.

Finally, the practical and legal realities of RHD's business are well served by an interdependent culture. For example, RHD has to work in collaboration with multiple outside entities (funding sources, regulatory agencies) in order to serve its customers.

Antecedent Themes across Organizations

Although each organization has a unique story to tell, in the following, some themes can be noted across multiple stories (although not necessarily all the stories).

- The top executive in each of these organizations played a central role in the organizations' movement toward more interdependent practices. Often the executives had a vision of "a different kind of organization" in which certain social values would be a driver. In several cases, they were instrumental in engaging the organization in recognizing and managing an organizational tension.

- Senior teams played active roles in the change process.

- Organizational members who were not onboard with the changes left, and new members who were attracted to the changes joined the organization.

- External experts and consultants further stimulated and facilitated development.

- New practices were needed to be successful in the organization's industry. There was an explicit desire to be different from the industry norms.

- There was a leveling of hierarchical status differences and a sense of equality in the organization.

- A strong foundation of independence supported movement toward interdependence.

Outcome Themes across Organizations

Given our research design (i.e., exploratory, cross-sectional case studies in a limited number of organizations), it is much more difficult for us to clearly assess the organizational outcomes (such as financial performance, goal attainment, growth, stakeholder satisfaction) that can be attributed to interdependent leadership cultures and practices. Leadership cultures and practices are factors that influence organizational outcomes. And since dependent, independent, and interdependent beliefs and practices were all operating in the case study organizations, it is difficult to disentangle the effects of each.

However, in interviews with organizational members, we often did hear their perspectives on the outcomes produced by specific interdependent practices. For example, at ATI, what was the impact of changing to a process-centered organization? At CHP, what changes are being brought about as a result of EMT committees? At RHD, what impact does its compensation practices have? The following two interrelated types of outcomes stand out.

- *Organizational learning*. A number of the interdependent practices fostered organizational learning. More people had access to more information; more shared sense-making was created; improvements to systems and processes were generated; new solutions were created; organizational change was facilitated.

- *Enhanced organizational capabilities*. We also saw examples of how interdependent practices contributed to enhanced organizational capabilities. Examples include RHD's ability to turn around underperforming, newly acquired units; DriveTime's new corporate identity that has at least partly overcome its former negative brand identity; CHP's improved ability to address patient safety problems.

We should also note that interdependent cultures and practices created challenges for the organizations. Some organizational members did not see why a particular practice was necessary or beneficial. Sometimes the practices were seen as too messy, too chaotic, too complex, or a duplication of effort. Organizational members sometimes did not have the skills or perspective to participate effectively in a practice or saw the practice as an abdication of leadership on the part of senior managers.

Survey Section 1

One outcome that we intentionally collected survey data about was the degree to which organizational members experienced direction, alignment, and commitment (DAC) within their organizations. This was an important outcome for us to examine given our view of leadership as a social process that produces direction, alignment, and commitment in collectives with shared work. As part of the organizational survey (Section 1), we asked respondents to indicate how much they agreed or disagreed (on a 6-point scale with 1 indicating strong disagreement and 6 indicating strong agreement) with each of a set of items designed to assess DAC in the organization. Average DAC scores for each organization are shown in the table below (more detailed item-level results are shown in Appendix C).

DAC scores in four of the organizations are moderately high and similar across the organizations. Scores in organization B are significantly lower than those in the other organizations.

Table 4
Degree to Which Organizational Members Experienced DAC

	Organization				
	A **(n=53)**	**B** **(n=99)**	**C** **(n=128)**	**D** **(n=224)**	**E** **(n=286)**
	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Direction	4.51 (.94)	3.13 (1.22)	4.64 (.84)	4.38 (.75)	4.47 (.73)
Alignment	4.32 (1.02)	2.95 (1.16)	4.50 (.77)	4.27 (.75)	4.29 (.73)
Commitment	4.62 (.79)	3.17 (1.30)	4.56 (.80)	4.16 (.85)	4.52 (.73)

These levels of DAC cannot be attributed directly to interdependent leadership practices, but we did examine the relationship between the degree to which interdependent statements were endorsed (in Section 2 of the survey described in the previous section of the results) and ratings of DAC in the organization. The relationship was positive and statistically significant at the individual and organizational levels. In other words, individuals who gave more points to the interdependent statements in Section 2 also tended to rate the organization's level of DAC higher, and organizations with higher endorsement of the interdependent statements had higher average DAC scores.

D. Themes from the Learning Forum

The Learning Forum was an opportunity to further explore the concept of "interdependent leadership cultures and practices" with members of the participating organizations. Much of the discussion during the Forum reinforced the main findings from the case study reports. However, there were particular themes that received more attention or emphasis during the Forum, or that we came to see more clearly.

- We heard much more about the challenges inherent in movement toward interdependent leadership cultures and practices. Participants in the Forum were straightforward about it being a difficult journey, saying "it's very hard" and "some days it's very rocky." They have often taken an incremental approach ("we made little changes toward the culture we wanted") and an experimental approach that allowed them to learn along the way ("we began experimenting with self-directed workgroups"). Gains were experienced as fragile with the possibility of reverting to previous practices ever present ("you have to continue to fight for the interdependent aspects"). Among these organizations, interdependence is still largely an aspiration. No one thought his or her organization was there yet.

- An important part of the movement toward interdependence is a strong foundation of employees who exhibit elements of an independent logic. Some practices are aimed directly at moving people from dependence to independence. For example, ATI got rid of time clocks and provided attendance guidelines to employees, who were then personally responsible for managing their time on the job. In general, the organizations encourage employees to own their own work and to get things accomplished through influence rather than relying primarily on directives from individuals with formal authority. More independent individuals are better equipped to work effectively in peer contexts where the normal leader/follower roles often don't exist—contexts such as self-managed teams, cross-functional project work, and communities of practice.

- Most of the organizations were deliberate about forming or maintaining a culture based in clearly articulated values. Values served as "a common guide," "the glue that keeps us all on the same page." Some values were more frequently articulated and discussed during the Forum in relation to interdependence:
  o Creating good places to work: places where people are involved, engaged, learning, doing interesting work, being treated well by others;
  o Social justice: serving people whom others won't serve, improving the lives of people in difficult circumstances, standing up for those who haven't been given a voice;
  o Holism: treating people as whole people (mind, body, and spirit), taking a systems view of problems, working with the whole enterprise in mind.

These values may be correlates of movement toward interdependence, but it isn't clear whether they should be understood as aspects of an interdependent logic, outcomes of an interdependent logic, or aspirations that serve as fertile ground for stimulating movement toward interdependence.

- Agility is perhaps another correlate of interdependence. These organizations are not risk averse, they are proactive in their environments, they are "moving a little bit all the time," and they value quickness and flexibility.

- There was some confusion (which may be generative) about the focal term "interdependence." Its numerous senses often got used interchangeably in the conversation at the Forum:

  o interdependence as *a mutually dependent relationship* ("So the relationship has always been interdependent with the councils.")

  o interdependence *as an individual characteristic* ("The CEO is interdependent.")

  o interdependence *as a group characteristic* ("Finance is not so interdependent.")

  o interdependence *as a value or perspective* ("We are striving to be in interdependent mode. When I talk about it to others in the organization, I talk about "*communication, connectivity, collaboration*—people are better able to understand these terms rather than the term *interdependent*.")

  o interdependence *as an organizational form or design* ("A values-based organization in which people at all levels are expected to make decisions.")

- Participants also shared additional practices during the Forum, many of which were consistent with the ten categories described earlier in this report. However, several of the examples suggest that an organization's approach to knowledge management is another useful arena to examine for movement toward interdependence (e.g., practices that move beyond the sharing of knowledge to the collective development of knowledge, practices that help individuals develop a whole-system perspective on their work). For example, ATI described its efforts to make production information available to employees in such a way that employees didn't focus just on individual or group productivity but also on ways to make the throughput of the entire system better.

- The discussion also generated more questions about movement toward interdependence in organizations:

  o Is movement toward interdependence easier for some people—for example, younger versus older employees, top-level and front-line employees versus those in the middle, newer versus long-tenured employees?

      o Can the movement toward interdependence start at any place in the organization, or does it have to start at the top?

      o Can organizations regress developmentally?

      o Does interdependence go into all parts of the organization?

      o Is some deep level of personal connection and intimacy required for interdependence?

Conclusions

We found evidence of interdependent leadership cultures and practices in the six organizations we studied. At the same time, interdependent cultural beliefs and practices are not widespread in these organizations; interdependence is not the predominant logic governing the organizations' actions. Rather, we observed dependent, independent, and interdependent cultures and leadership practices existing simultaneously. So we are left with the sense of interdependence being the exception rather than the rule in these organizations.

However, in many cases, it is the interdependent leadership beliefs and practices that appear newer, more experimental, and a change in how things have been done in the past. There seems to be an element of pragmatism about these practices; they are used as tools when necessary to deal more effectively with some tension or challenge in the organization. They also seem to be crafted primarily at the top of organizations—which is not surprising given that senior management is often responsible for dealing with major tensions or challenges and that they have greater authority for crafting responses. Although crafted at the top, new practices can serve as a stimulus for adoption of new behaviors and the evolution of beliefs throughout the organization. (We should also note that more of our data were collected at the top of organizations, so the study was likely less sensitive to practices crafted lower in the organization.)

We observed that senior management enacted interdependent leadership and was a catalyst for organizational development by doing the following:

- Developing the capability as an executive team to operate from an interdependent perspective;

- Designing organizational structures that encourage interaction across the enterprise, minimize hierarchical differentiation, and engage organizational tensions;

- Supporting those structures with planning processes and lateral coordination mechanisms that allow for direct collaboration across boundaries and that encourage joint reflection on and integration of multiple perspectives (without coordination from above);

- Naming organizational tensions (e.g., local/system, centralization/decentralization, multiple stakeholders) and engaging others in holding those tensions;

- Articulating strong values and norms about experimentation, collaboration, systems thinking, equality, authority, and social responsibility;

- Providing systemic, long-term developmental processes that enhance the organization's capacity to make use of interdependent practices.

They pursued organizational change deliberately, sometimes going against the grain of the standards of the industry. Going-against-the-grain choices were based on a shared belief (even if only among the senior team) that a different approach is not just an option, but an imperative.

This link between how senior management enacts leadership and the ability of the organization to develop toward more interdependent cultures and practices is consistent with research by Rooke and Torbert (1998, 2005). They found that successful transformative change efforts in organizations were more likely to be led by CEOs operating out of an interdependent logic.

Based on the characteristics of the interdependent practices identified in the case study organizations' formal structures, systems, and processes (see pages 15–24) and the interdependent patterns in carrying out work (see pages 25–32), we can revise our original description (in Table 1, page 3) of "interdependent leadership cultures and practices" to the following.

> *Interdependent leadership cultures and practices* are broadly characterized by the assumption that leadership is a collective activity that requires mutual inquiry and continuous learning. This assumption may lead to patterns of working in an organization that make use of (a) collaboration, mutual influence, and maximization of system effectiveness in making decisions and solving problems, (b) dialogue to explore differences and manage conflicts, and (c) experimentation and change processes that maximize individual and collective learning. Other characteristics associated with interdependent systems and processes include leveling of status and authority, valuing differences, engaging organizational tensions, working laterally across boundaries, co-construction of solutions with multiple stakeholder groups, and use of whole and open-system perspectives.

Interpretation through a Constructive-Developmental Lens

From a constructive-developmental perspective, we can think of the manifestation of interdependent logics (through cultural beliefs and leadership practices) as providing "headroom" for development in the organization. In other words, the logics provide a large enough "developmental container" to stimulate and support the development of individuals throughout the organization (who are at various stages of individual development) and the ongoing development of shared beliefs and practices in the organization. For example, interdependent practices can act as catalysts for the development of more independent logics in employees because they call for more individual initiative and a greater sense of ownership of work (rather than looking upward for direction or for permission to make decisions).

Another way of saying this is that interdependence appears as the highest-order logic in a nest of logics. In this study we saw it as a "minor mode" but one that nonetheless makes a difference because of its ability to (at least occasionally) organize, contain, or objectify the "major mode" of independence. Thus a "more interdependent" organization is one that has a minor mode of interdependence that nonetheless proves decisive in its ability to transcend independence in

certain situations (e.g., among the senior team). We are able to describe how this minor mode has a major role in terms of the leadership culture and practice categories in this report.

Interdependence also acts as contraindication of dependent logics (i.e., it sends the signal that dependence is not desired or is limited in some fundamental ways). This is why the development of interdependent cultures and leadership practices seems to go hand in hand with developing independent logics in those people where dependent logics have been the limiting stage. We hypothesize that individuals who consistently experience interdependent practices as negative or not helpful are more likely understanding leadership out of a dependent logic (see Berger & Fitzgerald, 2002, and Kegan, 1994, for similar arguments). They see leadership as appropriately coming from people more senior in a hierarchy, and thus might experience interdependent practices as "no leadership at all," that is, as an abdication of leadership on the part of senior management. This may be most likely to occur when interdependent leadership practices are introduced into a system that has previously been characterized by directive leadership practices and is in the midst of other major organizational changes (reorganization, reductions in force, and so on.).

Interdependent Leadership and Organizational Learning

Our descriptions of the various aspects of interdependent leadership cultures and practices overlap with concepts used extensively in the learning organization literature (Senge, 1990; Watkins & Marsick, 1993): the concepts of double-loop learning, mutual inquiry and dialogue, systems thinking, minimization of hierarchy, collaboration, and collective learning. We have used the lens of leadership, and others have used the lens of organizational learning and change to examine the social processes that best equip organizations to operate effectively in increasingly complex contexts. It is not surprising that we find ourselves focusing on some of the same dynamics. What we think our perspective contributes is a *developmental* view of these dynamics. Moving toward more interdependent social practices requires fundamental changes in the perspectives or logics that individuals and organizations use to make sense of the world. This can help explain why becoming a learning organization is difficult; it is not only just a matter of becoming more aware and knowledgeable and learning new skills (which are certainly important) but also requires letting go of current worldviews (which can be scary) and constructing new ones (which is a gradual process). The overlap in concepts also points to the need for more cross-fertilization and collaborative work across the leadership development and organizational learning fields.

Limitations and Future Directions

It is useful to recall that this was an exploratory study, and thus we learned a great deal about the limits of our case study process and how to improve our methodology. For example, our methods allowed us to identify leadership practices, yet the beliefs embedded in the culture were more difficult to tease out. In analyzing the organizational survey, we learned that a much

shorter measure of DAC could be created and that some of the distinctions between interdependent, independent, and dependent statements in Section 2 (the Culture Evaluation Tool) could be improved. And although it made sense (given our research questions) to start this line of inquiry by focusing on organizations that already appeared to be making use of interdependent practices, we realize that in future phases it will be necessary to include other organizations that have not so clearly moved toward interdependence in order to make more useful distinctions among interdependent, independent, and dependent cultures and practices. Also, to understand leadership cultures and practices outside of U.S.-based organizations, we need more global diversity in the organizations we examine. Our plan in Phase 2 of this project is to streamline and improve our methodology and increase the diversity of our sample of organizations.

We also experienced the challenge of taking descriptions of interdependent, independent, and dependent logics derived from individual psychology and applying them at the organizational level. We assumed a direct correspondence between the concept of interdependence as an individual logic and interdependence as a cultural logic. Our assumption was that what characterized an individual with an interdependent logic would also characterize a culture based on an interdependent logic. However, an organization obviously has different system dynamics than the intrapsychic dynamics of an individual. Individuals can be characterized as operating from a particular place on a developmental path, and they organize prior logics from the perspective of their current one. Organizations are made up of people using a variety of logics; thus interdependent, independent, and dependent logics are constantly in interaction with one another—creating a different dynamic at the organizational level. We now see that it would be useful to examine these assumptions more carefully. Two strategies for doing this would be to (1) know something about the individual logics in the organization (not just the logics of the senior leaders) as well as having an understanding of its culture and practices, (2) not impose the interdependent-independent-dependent schema on our data and look more openly at leadership cultures and practices to see what characterizes them: the developmental sequence from least complex leadership culture to increasingly complex cultures may not mirror the individual sequence.

As we were working on this case study project, we were also working to articulate more clearly the theory of leadership that has been developing more broadly in our Connected Leadership work. The current version of this theory is shown in the figure on the following page (Drath and Associates, 2007). In this theory, we propose that leadership is known to exist or to have occurred whenever one finds intentionally produced direction, alignment, and commitment (DAC) among a collective with shared work. DAC is produced from social practices that are crafted from and justified by underlying beliefs (at both the individual and collective levels). The efficacy in producing DAC provides feedback that may cause adjustment of practices or, more developmentally, reconsideration of beliefs. The production of DAC is a necessary (though not sufficient) condition for achieving the longer-term purposes and goals of the collective.

The current study particularly informs the "leadership practices" construct, delineating ten arenas of practice and the characteristics of the practices in these arenas when they are influenced by interdependent beliefs. We also saw how a number of these practices contributed to longer-term outcomes through organizational learning and enhancement of organizational capacity.
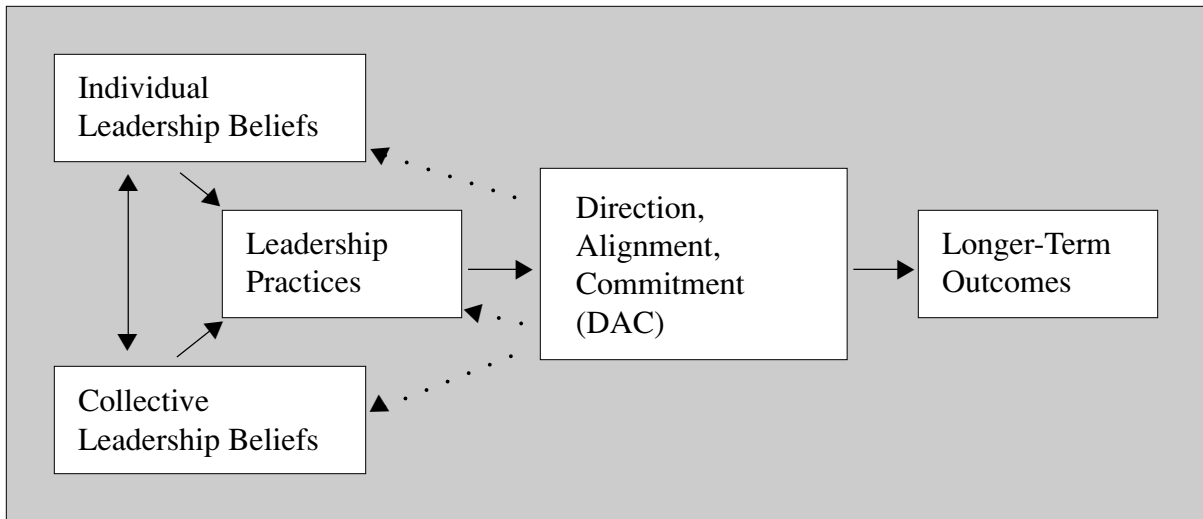
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Appendix A: Call for Candidate Organizations

CENTER FOR CREATIVE LEADERSHIP
STUDY OF NEW APPROACHES TO LEADERSHIP
CALL FOR CANDIDATE ORGANIZATIONS

The Center for Creative Leadership is seeking organizations to participate in a study of new approaches to leadership. Our goal is to develop case studies of the leadership culture and leadership practices in approximately ten organizations that we have reason to believe are practicing leadership that is more inclusive, boundary-spanning, and learning-oriented. These case studies will serve as a resource for CCL presentations, publications, funding proposals, and the design of future research.

The key word is "practicing." We know many organizations aspire to approach leadership in new ways. We are looking for organizations that have actually begun to figure out how. We think such organizations would bear certain telltale signs. These signs are described in detail below.

The benefits of participating in the study to the organization include an opportunity to do the following:

☛ Engage in reflection and self-study, guided by informed external observers;

☛ Increase awareness of and insight about its leadership culture and practices and those of other organizations in the study.

The study is expected to run for approximately six months, with a target completion in June 2006. The study involves the following four phases:

1. *Context Setting:* Review of key organizational documents (e.g., mission and vision statements, strategic goals) and interview of a few senior-level executives.

2. *Data Gathering:* Launch an electronic survey with a cross-section of employees and conduct in-depth interviews with ten employees.

3. *Dialogue Groups:* Based on the results of phases Phases 1 and 2, facilitate dialogue on the core themes.

4. *Feedback to the Organization:* Develop a report of the overall findings and facilitate discussion of the findings with appropriate internal stakeholders.

Signs of New Approaches to Leadership

In general, we think the signs indicating leadership is being practiced in new ways fall into three broad categories: intersystemic, dialectical, and transformational.

(1) Intersystemic framing means seeing the organization and its environment as a product of the interaction of systems. Thus, in general, organizations using this frame value the *interaction among various people, functions, and constituencies as sources of identity and knowledge*.

In organizations demonstrating this kind of framing, we should be able to observe some of the following:

- ☞ partnering and knowledge sharing with suppliers, distributors, customers, unions, and other constituencies

- ☞ inclusive and widely shared reflection about organizational mission

- ☞ getting multiple constituents together for dialogue

- ☞ fully engaged participation in strategic planning processes at all levels of the organization

- ☞ organizational commitment to the "triple bottom line" (accountability for economic, social, environmental outcomes)

- ☞ direct horizontal coordination between and among functions, such as through cross-functional agreements, "work-out" processes, and so forth

- ☞ intentional, ongoing conversations that skip levels and cross functional lines

- ☞ superiors and supervisors acting as collaborators and facilitators

- ☞ a conscious leveling of status differences associated with power and position

- ☞ decision making being carried out as closely as possible to the first-hand knowledge affecting decisions

- ☞ experiments with various ways of organizing authority and power, such as multiple people in a high-power role, power-sharing with unions, or worker councils

(2) Dialectical framing means seeing how beliefs and values are always entangled with their opposites. Thus, in general, organizations using this frame value are *learning from differences and engaging with paradoxes*.

In organizations demonstrating this kind of framing, we should be able to observe some of the following:

- ☞ the intentional and structured use of dialogue as a key sense-making process

☛ ongoing dialogue with constituents who hold perspectives that often conflict with the organization (such as unions, regulators, investment bankers, and environmentalists)

☛ the explicit use of "outsider" perspectives to create positive turbulence, such as bringing in provocative speakers or creating out-of-the-box learning opportunities

☛ processes for surfacing and making sense of contradictory or conflicting values and perspectives within the organization

☛ conflict and difference routinely used as an opportunity for learning

☛ people able to act decisively while also paying attention to conflicting perspectives

☛ structures and processes for engaging organizational paradoxes, such as short term and long term; quantity and quality; action and reflection; centralization and decentralization; productivity and learning

(3) Transformational framing means seeing the core identity, mission, and strategy of the organization as being open to revision and change. Thus, in general, organizations using this frame value *inquire into the identity of the organization to bring about useful change.*

In organizations demonstrating this kind of framing, we should be able to observe some of the following:

☛ the widespread use of "system in the room" processes such as Future Search and Open Space

☛ ongoing inquiry and continuous improvement being applied to organizational processes and structures

☛ the widespread use of Appreciative Inquiry processes

☛ after-action reviews as a routine aspect of work at all levels of the organization

☛ well-designed, rich, effective feedback systems and processes for individuals, groups, units, and the organization overall

☛ processes for gathering information about and inquiring into both success and failure, treating both as opportunities for learning

☛ open and honest communications to all levels and constituents about the organization, including good news and bad

Appendix B: Primary Data-Collection Tools

KEY INFORMANT INTERVIEWS

Purpose: To learn about formal organizational processes and systems that are characterized by signs of interdependent action/logics (intersystemic, dialectic, transformational).

Who to interview: There are two types of key informants:

(1)   Senior executives who can provide an overview of the philosophy and formal practices related to (a) strategic planning (How does the organization approach issues of direction and alignment?), (b) human resources (How does the organization approach issues of employee commitment?), or (c) external relationship management (How does the organization manage its boundaries? The focus here could be on customer relationships, relationships with key partners, government relationships, and so on.).

(2)   Individuals who have some organizational responsibility for particular processes/systems that stood out as strongly interdependent in the screening phase, in gathering organizational background data, or in key informant interviews with senior executives. For example, an organization may be partnering with a competitor in a highly developed way or may have an advanced "system in the room" practice or a rich horizontal feedback system.

Process

(1)   Work with the organizational contact to identify from two to three senior executive (Type 1) interviewees. These interviewees should have high-level responsibility for some aspect of strategy development, human resource management, or external relationship management. In making choices among potential interviewees, consider which areas may be supporting interdependent leadership culture and practices the most, as well as practical considerations, such as availability, depth of organizational knowledge, and communication skill.

(2)   Work with the organizational contact to identify from two to three targeted process/system (Type 2) interviewees. Note that some Type 2 interviewees may not be identified until after the Type 1 interviews are completed. Interviewees should be highly knowledgeable about a particular process or system that stands out as interdependent.

(3) Work with the organizational contact to clarify a process for inviting the interviewees to participate. Even if the process starts with a more informal contact with the potential interviewee, it should include a formal invitation to each interviewee that includes:

   a.   General description of study (see recruiting material).

   b.   What you want to interview him/her about (include a list of the major questions noted below).

   c.   Confidentiality of data (although we will use descriptions and stories from the interview, names will not be connected to these descriptions and stories).

   d.   Logistics (interview will be by phone and be recorded, 45 minutes needed for interview, how the interview will be scheduled, interviewer's contact information).

(4) Research analyst schedules interview and checks that interviewer has needed recording equipment.

(5) Conduct interview by phone.

Interviews are semi-structured, i.e., major questions (see below) should be covered in the interview, but probing questions are up to the interviewer (to make sure major questions are adequately addressed or to follow a particular story line more deeply).

Interviews will be conducted by phone and will be recorded but not transcribed. The interviewer will produce a written summary of responses to the interview questions (hence the recording to help where notes get vague).

Interview sessions should be no longer than 45 minutes. All interviews should begin with a reminder of the purpose of the interview and how the interview information will be captured and handled (i.e., interview will be recorded, interviewer summarizes from notes and reviewing tape, interviewee will get a copy of the summary and have a chance to make corrections, summaries will be available only to the project team, descriptions and stories taken from the interview and used in reports and publications will not have the interviewee's name associated with it).

General structure of Type 1 interviews:

   • Tell me about the organization's approach to [strategic planning OR human resource management OR customer relationship management . . . or substitute similar terms used in the organization].

   • What key processes are in place to support this approach?

- How was this approach developed in the organization?
- What are the advantages of this approach? Any downsides to the approach?
- What would you consider to be one of your most innovative practices related to [strategic planning OR human resource management OR customer relationship management]? What's innovative about it? How well is it working?

General structure of Type 2 interviews:
- Tell me about [the process/system].
- How does it work?
- How did it come about (e.g., why was it developed, who was involved)?
- What organizational values or beliefs does it represent?
- How has the organization benefited?
- What challenges has it encountered? How has the organization dealt with these challenges?
- What are the next steps in the development of this process/system?

(6) Write summary of interview responses (to become part of case study database).

(7) Research analyst sends summary to interviewee with note of thanks and asks interviewee to review for accuracy. If interviewee does edit the interview summary, research analyst sends revised interview summary to interviewer.

(8) Analyze each key informant interview, highlighting:
- Aspects of the organization's formal processes and systems that reflect interdependent action/logics. Describe and provide rationale for labeling this aspect as interdependent.
- Aspects of the organization's formal processes and systems that reflect dependent or independent action/logics. Describe and provide rationale for labeling this aspect as dependent or independent.
- Aspects of the organization's formal processes and systems for which it is hard to tell the action/logic it reflects. Describe and explain why it is difficult to categorize by stage of development.

STORY-BASED INTERVIEWS

Purpose: To encourage the telling of specific and very concrete stories about how certain leadership outcomes have been achieved in the organizational experience of the interviewee. We want to learn about leadership practices as they have actually occurred.

Our goal for the interviews: Our goal is to learn about the interviewee's experience in the interviewee's own words, using his or her own framing and concepts. We're interested in getting the story of what happened from the interviewee's point of view. We're interested in the event as an event, not as an example of the interviewee's thinking on leadership. These interviews are designed to produce data at the most grounded level. This means it is important not to frame the interviews as being about "leadership," since this may (probably will) cause the interviewee to frame answers in terms of his or her implicit theory of leadership (e.g., "I believe leadership is what my boss says and does, so I should tell this as the story of what my boss did"). This would be much too abstract for our purposes.

Process

(1) Select interviewees

   a. As a group, the interviewees in an organization should represent a diagonal slice as closely as practicable. This means including people from the top, middle, and operational levels of the organization and from a variety of functions.

   b. Interviewees must have enough tenure with the organization to be steeped in the organization's culture, to have a history in the organization, and to know "how things work around here."

   c. Interviewees must be willing to be open and honest about their experiences in the organization. They must not be worried about "saying the wrong thing." They must trust our guarantees of confidentiality. It will also be helpful for the interviewees to be the kind of folks who tend to have more rather than less to say.

   d. Interviewees must be willing to spend about 75 minutes being interviewed and another 60 minutes later on going over and marking their transcript. They must agree to return the transcript to us within the time given.

   e. Once all of the preceding criteria have been considered, the interviewees should be as diverse as practicable: females and males, various ethnicities, ages, and so on.

(2)   Send orientation letter to interviewees

Dear [interviewee name]

Thank you for agreeing to be interviewed by a researcher from the Center for Creative Leadership. The purpose of this letter is to give you information about the interview process.

If the interview has not already been scheduled, it will be set up soon at a time convenient to you. It will be conducted somewhere private where you can speak freely.

The interview will be tape recorded so that we can make a transcript. The interview itself and the transcript will be treated with utmost confidentiality. In summarizing our research, we may use examples and quotes from the interview, but your name will never be used.

The purpose of the interview is for us to learn in some detail about how things work in your organization. Management of your organization has given us permission to conduct these interviews, and management supports our overall goals. The content of your interview will be summarized into broad themes and added in with themes from other interviews. No one from your organization will know what you have said. You will be talking about events, stories, and happenings that you know about directly. The interviewer will use a process that allows <u>you to decide</u> what to talk about. The interviewer will simply ask questions to draw out details. It is important that you feel confident to speak freely. There are no right or wrong answers. <u>No advanced preparation for the interview is needed</u>. Just show up ready for a good conversation.

The interview itself will take about 60 to 75 minutes. Sometime after the interview, you will receive a copy of the transcript in the mail. You will also receive instructions about how to complete a simple task involving the transcript. This task will take about 60 minutes, and you will be asked to return the transcript to us in a pre-paid envelope.

That's all there is to it. If you have questions, please send e-mail to [Principle Investigator, e-mail address]. Once again, thank you for your time and willingness to participate in this research.

Regards,
[Principle Investigator]

(3) Conduct the interview

a. Recording

The most important technical consideration in recording is eliminating background noise as much as possible. The quieter the place the better. Listen for sounds you might not ordinarily pay attention to, such as HVAC, traffic, machinery, and so on. Place the recorder directly in front of the interviewee.

Remind the interviewee that you will be recording in order to make a transcript, which they will get a copy of. Remind them that the recording and transcript will be kept in strict confidence.

Do not start the recording until the person has finished looking through the cards and is ready to talk. Begin the tape by saying "Today is [date.] This is [first name] and I will be talking with [interviewee's first name.]" This allows the transcriptionist to know who is who.

b. Framing the interview and using the cards

Say something like: "We're interested in certain kinds of outcomes and how they come about in an organizational setting. We're gathering stories of these kinds of outcomes from several different levels and functions in the organization. The interviews will be part of the data that will give us a picture of how people in the organization work together. Look over these cards and choose from two to three that remind you of something that happened recently in your organization that you were involved in. Look over all the cards before making your choice. You can make a few notes on the chosen cards as an aid to your memory."

If the person wants to know what "recently" means, tell him or her within the last few months. When the person has chosen from two to three cards, ask, "Would you like to start with the card that seems most important to you? Just tell about what happened that made you pick this card." Make a note of which card is the trigger for each story.

There is a card for each of these words and phrases (that express direction, alignment, and commitment—or the lack of direction, alignment, and commitment).

- We found our purpose.
- We faced up to our real problem.
- We did the right thing.
- We changed our direction.
- We lost our way.

- Everyone worked together.
- We all knew our roles and responsibilities.
- We saw how all the parts of the work fit together.
- We got organized.
- We felt isolated from one another.
- Everyone was pulling in a different direction.
- Everyone was motivated and inspired.
- We were committed to one another.
- Everyone was willing to take on extra work.
- Everyone felt responsible for the work.
- Everyone just wanted to know "What's in it for me?"

c. Prompts

The prompts are aimed at drawing out details and clarification to get more depth about the facts of the story. The key to successful prompts is to use the interviewee's own words and story as the basis for the prompt. Do not use inferences you are making about the story as a source for prompts. Only probe for more information about what the interviewee has actually said.

Example: The interviewee says, "So the decision was made to go ahead." GOOD prompt: "How was the decision to go ahead made?" BAD prompt: "Was this decision a turning point for the project?" Don't put words in the interviewee's mouth even if everything said leads you to believe the decision was the turning point.

Use prompts to keep the interviewee talking about concrete actual events.

Examples:
> How: . . . did that happen? . . . did that work? . . . did that play out? . . .
>   was the decision made? . . . did you come to that process? and so on
> Who: . . . was involved? . . . played a role? and so on
> What: . . . was involved? . . . happened next? and so on
> Why: . . . did that happen? . . . do you think?
> Under what conditions . . .

GOOD general prompt: "Is there anything more to tell to round out that story?"

d. Closing the interview

When the person has finished telling the story as he or she wants to tell it, it will be helpful to our study to try to get the story into a larger context. Here are a couple of possible questions for getting at this:

(1) "So, is the story you just told typical of the way things happen around here?"

(2) "What do you think is important about that story? What's the 'So what?' for you?"

When the interview is over, TURN OFF THE TAPE RECORDER. Thank the interviewees for their time and insight. Assure them that what they had to say was interesting and useful. Remind them that they will be receiving a copy of the transcript in from two to three weeks. They will receive simple instructions for what to do with the transcript, and they will then be asked to return it in a prepaid envelope. This task will take about an hour.

(4) Have the interview transcribed

On the tape, write "CL interview. [date/organization/interviewee's name/your name]." Give or send the tape to the research analyst who will be arranging for transcription. Once it is transcribed, she will send it to the interviewee along with the following instructions: "Please read over the transcript of your interview. (1) If you see any inaccuracies in the transcription, please mark through the incorrect text and write your changes in the margins. (2) Use a highlighter to mark any places where you see leadership happening or where you think you were talking about leadership. After doing this, please return the marked transcript in the enclosed prepaid envelope. Thanks again for your time and insight."

(5) Analyze interviews

The basic approach to analysis will be exploratory. Our *hypothesis* about these interviews is that, in telling stories about the kinds of outcomes represented by the cards, people will be telling us about the kinds of processes and events that produce DAC (leadership practices). So the first step in analysis will be to try to identify passages in which you think the interviewee is talking about leadership practices. Each principle investigator will independently read and identify leadership practices, and then they all together will compare what they have identified. We will learn what we mean by leadership practices by arguing to consensus about what should be labeled as a leadership practice.

The second step is to review what has been labeled as a leadership practice and code the practices as primarily dependent, independent, or interdependent practices (or no code if the practice is hard to classify). Again, each principle investigator should work independently, then together compare codings and argue to consensus.

WALK ABOUT CULTURE TOOL

Purpose: To understand the possible forms and patterns of the organization's culture revealed by its artifacts, language, rituals, norms, shared meaning, and even the organization structures and physical environment that it produces and inhabits.

Background: We will make use of the *Walk About Culture Tool* (developed for use in Connected Leadership practice). This tool is intended for use within the *Discovery* process and is not reliant on long-term interactions. Because the tool produces only a series of impressions derived primarily from observations, its value is in using the data derived with multiple other data sources. However, when feasible, it is suggested that the practitioner engage with the client (or subject of a study) to explore the deeper meaning and beliefs underlying what is being observed.

The *Walk About Culture Tool* reflects an ethnographic approach to data collection. The hallmark of ethnography is that its interpretation of what people say, do, and believe is guided by the concept of culture. Paul Bohannon's definition of culture is "a combination of the tools and meanings that expand behavior, extend learning and channel choice."[†] Choices made in cultures are the mediator, or translator, that lie between beliefs and behavior. In this sense, culture is both *beyond our awareness* and *shapes our awareness.* The organization's particular forms of artifacts, language, rituals, and structures are, therefore, the manifestations of those choices made in organization cultures. These forms, when viewed dispassionately, may suggest orders or patterns of beliefs revealed through layers of decisions made over time by the organization. Ethnographic studies are comprised of both observation of and engagement in cultures. Observations can be conducted at any time, but ethnographic methods of engagement usually require long-term contact and interactions with people that build trust.

Ideally, the *Walk About Culture Tool* is a way of independently observing the environment through free access to client sites. However, it can also be used in the context of other work being conducted within an organization. Paying attention is required, in particular paying attention from right and left modes, and including kinesthetic attention and attention to negative space. Being fully present and dispassionate, the observer will alternate between a wide-angle lens and the precision of a telephoto lens.

[†]Bohannon, P. (1995). *How culture works* (p. 8). New York: The Free Press.

Process

(1) Observe. Outlined on page 3 are the aspects of the physical environment, cultural beliefs and practices, and organizational structure to pay attention to. Most observation will be conducted during visits to the organization to conduct Story-based Interviews and Dialogue Groups. Immediately record what you see as accurately and descriptively as possible (have a notepad with you or—if you prefer and have one—a small recorder). You can also use a digital camera to capture aspects of the physical environment or cultural artifacts. Work with your key contact to arrange some "free-access" time during one of these visits to extend your observation. During on-site observation where interaction with people in the environment is available, explore with them the meaning of what is being observed. Some cultural observations can also be made during Key Informant phone interviews and from the documents collected as part of gathering Organizational Background Data.

(2) Type up your observations, organizing them under the three categories of Physical Environment, Cultural Beliefs and Practices, and Structure and Culture (see next page). (Note: We do have some resources for transcription if you want voice-recorded observations to be transcribed.)

Walk About Culture Tool: Observations and Engagements

Physical Environment

☛ Look over the physical plants, buildings, and working environments. Pay attention to how environments change and their relationship to each other. What is the working space like—windows, walls, closed or open? Describe who (people from what part of the organization) inhabits them and what activities are enacted. Do the different environments reflect organization divisions, subcultures, or hierarchies?

☛ Look for artifacts, art, carpets/concrete, living things (sunlight, plants, and so on), bulletin board contents, signage and slogans, recognition systems, official brochures for sales or stakeholder reports, organization structure charts, and so on.

☛ Explore, to the degree possible, what beliefs are externalized and what are internalized. For example, if work slogans or corporate values are prominently displayed on signs, seek opportunities to engage people in inquiry about what is being espoused versus what is in action.

Cultural Beliefs and Practices

☛ Describe the language—for example, usage levels of acronyms and technical, theoretical, or philosophical grade-level of language. Explore language that seems particular to the place.

☛ Organization philosophy—observe and look for both written and stated mission, vision, and values of the organization; explore the stated belief systems; and engage people where feasible in views about any gaps in stated versus enacted philosophy.

☛ Observe ritualized interactions—this can include unique shared language, conduct in meetings, e-mail practices, levels of isolation versus interaction, use of common space, or nature of social manners in use.

☛ Shared meaning—how is it made, practiced, renewed, and changed through recurring patterns of behavior?

☛ Rules and norms—explore the territory of social boundary setting and maintenance by reviewing written or expressed norms and values (stated theories), and where possible compare these with observable patterns of behavior (theories in use).

Structure and Culture

☛ Seek artifacts that represent organizational structure such as organization charts. Note if no such artifacts exist and what is said about finding and sharing them.

☛ Pay attention to the organizational structure as an extension of the organization's philosophy and beliefs—is it a logical manifest alignment to beliefs? Does it run counter to stated philosophy and values? Is it postconventional?

ORGANIZATIONAL SURVEY

Purpose: To collect data about (a) leadership outcomes in the organization (i.e., to what extent is direction, alignment, and commitment present in the organization?), (b) leadership culture (i.e., to what extent does the culture show signs of dependent, independent, and interdependent beliefs and values?), and (c) leadership practices (i.e., to what extent are there interdependent leadership practices in the organization and what do these look like?).

Sample: Our goal is a sample size of 200 from each organization (for organizations in the from 500 to 1,000 employee range, we could go as low as 150 in the sample). Respondents should represent different levels and functions in the organization. Work with your organization contact to determine the best strategy for obtaining an adequate sample. Factors such as typical response rates in the organization, who sends out the survey, and how the survey is framed to respondents will influence the number of employees needed in the original respondent pool (i.e., how many employees are asked to complete the survey).

If you or the organization wants to do within-organization comparisons (for example, comparing responses by organizational level), we need a minimum sample size of 30 from each subgroup in the comparison.

Process

(1) Work with key contact to identify sample and articulate a process for administering the survey. We prefer to administer the survey online, but can make a paper version available if needed.

(2) Work with key contact to determine any customization parameters of the survey (what name will be used to identify the appropriate organizational entity being rated, what would be the appropriate response options to the "function/unit" question in Section 4).

(3) Research analyst will be responsible for setting up, launching, and monitoring the online survey.

(4) Once the survey is "closed," research analyst will provide summary data to the team (e.g., means, standard deviations, frequencies at the item level and at any relevant grouped-item level). Teams can decide on any further analysis that they would like to have.

Organizational Survey

This survey asks you to answer some questions about [name of organization or part of organization participating in the study]. The survey is part of a research project being conducted by the Center for Creative Leadership (CCL), a nonprofit educational institution. The survey is divided into four sections and should take you less than an hour to complete.

Your answers are anonymous and confidential. We will combine your answers with those from others in the organization to produce an overall organizational profile. This will allow CCL to learn about your organization and help your organization understand itself better.

If you have any questions about the survey or have any technical problems, please contact [contact information].

Section 1

Answer by choosing a number from 1 to 6 that shows how much you agree or disagree that the following sentences are true about the way things usually work in [name of organization or part of organization participating in the study]. The words *we, our, us, everyone* in the sentences refer to employees of [name of organization or part of organization participating in the study].

RESPONSE OPTIONS					
1 Strongly Disagree	2 Disagree	3 Somewhat Disagree	4 Somewhat Agree	5 Agree	6 Strongly Agree

1 2 3 4 5 6	1. Everyone understands what we are trying to accomplish.
1 2 3 4 5 6	2. We align our work.
1 2 3 4 5 6	3. We are all committed to our shared goals.
1 2 3 4 5 6	4. We hold together as a unit.
1 2 3 4 5 6	5. We are clear about what is expected of us.
1 2 3 4 5 6	6. We cooperate well with one another.
1 2 3 4 5 6	7. We stay focused on our mission.
1 2 3 4 5 6	8. We regularly achieve our shared goals.

RESPONSE OPTIONS					
1 Strongly Disagree	2 Disagree	3 Somewhat Disagree	4 Somewhat Agree	5 Agree	6 Strongly Agree

1 2 3 4 5 6	9. We share an understanding of what organizational success looks like.
1 2 3 4 5 6	10. Our work is well organized and coordinated.
1 2 3 4 5 6	11. We can count on one another to support our goals.
1 2 3 4 5 6	12. Even when something happens that we cannot deal with effectively, we know how to work together to face and solve the problems.
1 2 3 4 5 6	13. We have a shared vision of where we need to be in the future.
1 2 3 4 5 6	14. It is easy for us to find the important things we agree on when working together.
1 2 3 4 5 6	15. We put our shared success above our individual success.
1 2 3 4 5 6	16. We make the process of leadership work effectively.
1 2 3 4 5 6	17. We all know what our strategy is for reaching our goals.
1 2 3 4 5 6	18. The work goals of one group rarely conflict with the goals of another group.
1 2 3 4 5 6	19. All of us feel ownership for our collective success.
1 2 3 4 5 6	20. When we face new or different demands, we know how to change and adjust.
1 2 3 4 5 6	21. When we make changes in one part of our work, we adjust the other parts to bring them into alignment.
1 2 3 4 5 6	22. When our commitment gets low, we know how to get everyone committed again.
1 2 3 4 5 6	23. Even when our direction is not completely clear, we have a way of moving forward together.
1 2 3 4 5 6	24. When we change direction, we can adjust our work to support the new direction.
1 2 3 4 5 6	25. When changes in our work take us in a new or different direction, we know how to get everyone fully committed again.

Section 2

This section contains ten groups of sentences, with three sentences in each group. Your task is to divide 10 points among the different sentences in each group. Please divide the 10 points to show how true the sentences are about [name of organization or part of organization participating in the study]. Giving more points to a sentence means that the sentence is more true; giving fewer points means that the sentence is less true. Within each group of sentences, you can give any individual sentence 0 to 10 points, but the *total points for each group must equal 10 points*.

Example: If one sentence in a group tells the whole truth give it 10 points and the other two sentences 0 points; if two sentences are equally true, give each of them 5 points and the other sentence 0 points; if all three sentences are about equally true, give one sentence 4 points and the other two sentences 3 points each. You may divide the 10 points any way you want, but the total for each group must equal 10 points.

1. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

   _____ Decisions are made independently within businesses, functions, or groups.
   _____ Decisions are made by a few people at the top of the organization.
   _____ Decision making involves collaboration with people across multiple organizational boundaries.

2. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

   _____ What makes a person important is the way he or she learns and changes with others.
   _____ What makes a person important is his or her position in the organization.
   _____ What makes a person important is his or her job performance and results.

3. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

   _____ A person's success is judged by how well he or she helps the entire organization work together as an integrated whole.
   _____ A person's success is judged by how well he or she makes his or her individual performance goals.
   _____ A person's success is judged by how well the person's boss thinks he or she is doing.

4. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

    ____ People do not talk about their mistakes because it might risk their future in the organization.

    ____ People talk about their mistakes with everyone as a way to help everyone do better throughout the organization.

    ____ People talk about their mistakes with people in their group because doing so helps improve the group's performance.

5. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

    ____ During times of change, people use diverse perspectives to create new directions together.

    ____ During times of change, people take direction from above.

    ____ During times of change, individuals and groups create their own direction.

6. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

    ____ People value loyalty.

    ____ People value public truth-telling.

    ____ People value competitiveness.

7. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

    ____ Leaders practice continuous transformation to achieve long-term success.

    ____ Leaders take significant risks for significant rewards.

    ____ Leaders are fairly conservative in their approach to change.

8. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

    ____ The organization is responsible for identifying what people need to learn.

    ____ People take responsibility for one another's learning.

    ____ People are responsible for their own learning.

9. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

_____ Decisions made by senior leaders create strategic synergies across the whole enterprise.

_____ Decisions made by senior leaders are typically reactive and tactical.

_____ Decisions made by senior leaders proactively address needs in specific parts of the organization.

10. *Divide 10 points among these three sentences to show how well the sentences tell what is true about [name of organization or part of organization participating in the study].*

_____ People want to keep the peace and not make disruptions.

_____ People openly disagree and argue about things they believe are important.

_____ People take advantage of disagreements to solve complex challenges.

Section 3

The sentences in this section describe various kinds of things that are sometimes done in organizations. Please mark "Yes" for any of them that are regularly done in [name of organization]. Please mark "No" for any of them that are not regularly done. If you mark "Yes" for any sentence, please give a short example of how it is regularly done in [name of organization].

1. We treat people outside our organization like part of our team, such as suppliers, distributors, government, customers, or other organizations.

___ No, not regularly done.

___ Yes, regularly done.

Please give a short example of how this is regularly done.

2. Nearly everyone helps create the organizational vision, mission, and strategy.

  ___ No, not regularly done.

  ___ Yes, regularly done.

> Please give a short example of how this is regularly done.

3. We make decisions by involving people from different parts of the organization.

  ___ No, not regularly done.

  ___ Yes, regularly done.

> Please give a short example of how this is regularly done.

4. Managers and workers treat each other as if they are equals.

  ___ No, not regularly done.

  ___ Yes, regularly done.

> Please give a short example of how this is regularly done.

5. We talk openly and honestly with people outside the organization, even with some people who disagree with the way we do things.

  ___ No, not regularly done.

  ___ Yes, regularly done.

> Please give a short example of how this is regularly done.

6. We treat disagreements and conflicts as a chance to learn and make better decisions.
   ___ No, not regularly done.
   ___ Yes, regularly done.

   > Please give a short example of how this is regularly done.

7. We make it safe for people to tell the truth.
   ___ No, not regularly done.
   ___ Yes, regularly done.

   > Please give a short example of how this is regularly done.

8. We have ways of getting important feedback to individuals and groups.
   ___ No, not regularly done.
   ___ Yes, regularly done.

   > Please give a short example of how this is regularly done.

9. We work together, sometimes across the whole organization, to produce new products and services.
   ___ No, not regularly done.
   ___ Yes, regularly done.

   > Please give a short example of how this is regularly done.

10. We take time to feel proud of our strengths as an organization.

    ___ No, not regularly done.

    ___ Yes, regularly done.

    > Please give a short example of how this is regularly done.

11. We have ways to save and share our knowledge.

    ___ No, not regularly done.

    ___ Yes, regularly done.

    > Please give a short example of how this is regularly done.

12. We help each other learn.

    ___ No, not regularly done.

    ___ Yes, regularly done.

    > Please give a short example of how this is regularly done.

Section 4

Please provide the following information about yourself.

1. Your age: _____ years

2. Number of years you have worked at [name of organization or part of organization participating in the study]: _____ years

3. Your managerial level: [customized response options by organization]

4. Your organizational function/unit: [customized response options by organization]

5. Country you currently live in: _____

Appendix C: Item and Scale Means and Standard Deviations for
Direction, Alignment, and Commitment

	Organization				
	A (n=53)	**B (n=99)**	**C (n=128)**	**D (n=224)**	**E (n=286)**
Direction Items	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
Everyone understands what we are trying to accomplish.	4.75 (0.94)	3.36 (1.39)	4.67 (1.19)	4.52 (0.96)	4.56 (0.89)
We are clear about what is expected of us.	4.42 (1.29)	2.92 (1.39)	4.66 (1.19)	4.52 (1.01)	4.48 (0.93)
We share an understanding of what organizational success looks like.	4.60 (1.13)	3.07 (1.33)	4.60 (1.17)	4.37 (1.03)	4.49 (1.00)
We have a shared vision of where we need to be in the future.	4.40 (1.24)	3.67 (1.51)	4.77 (1.02)	4.45 (0.98)	4.56 (1.05)
We all know what our strategy is for reaching our goals.	4.23 (1.10)	2.90 (1.39)	4.50 (1.13)	4.22 (1.08)	4.30 (0.99)
When we face new or different demands, we know how to change and adjust.	4.52 (1.18)	3.13 (1.24)	4.53 (0.99)	4.28 (0.99)	4.41 (0.87)
Even when our direction is not completely clear, we have a way of moving forward together.	4.73 (0.97)	3.31 (1.44)	4.63 (0.94)	4.28 (0.92	4.39 (0.86)
Direction Scale Score	4.51 (0.94)	3.13 (1.22)	4.64 (0.84)	4.38 (0.75)	4.47 (0.73)

Note: Survey participants used the following response options:
   1 (strongly disagree)
   2 (disagree)
   3 (somewhat disagree)
   4 (somewhat agree)
   5 (agree)
   6 (strongly agree)

	Organization				
	A **(n=53)**	**B** **(n=99)**	**C** **(n=128)**	**D** **(n=224)**	**E** **(n=286)**
Alignment Items	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
We align our work.	4.31 (1.15)	2.96 (1.44)	4.52 (1.02)	4.34 (0.89	4.35 (0.96)
We cooperate well with one another.	4.72 (1.06)	3.10 (1.34)	4.68 (1.08)	4.33 (0.99)	4.57 (0.99)
Our work is well organized and coordinated.	3.78 (1.53)	2.56 (1.37)	4.41 (1.12)	4.22 (1.06)	4.15 (1.00)
It is easy for us to find the important things we agree on when working together.	4.54 (1.11)	3.40 (1.38)	4.62 (0.92)	4.41 (0.87)	4.64 (0.84)
The work goals of one group rarely conflict with the goals of another group.	3.85 (1.33)	2.59 (1.34)	4.05 (1.28)	3.89 (1.18)	3.77 (1.12)
When we make changes in one part of our work, we adjust the other parts to bring them into alignment.	4.33 (1.18)	2.81 (1.29)	4.49 (0.95)	4.25 (1.00)	4.13 (0.92)
When we change direction, we can adjust our work to support the new direction.	4.67 (1.17)	3.21 (1.30)	4.65 (0.94)	4.42 (0.93)	4.39 (0.85)
Alignment Scale Score	4.32 (1.02)	2.95 (1.16)	4.50 (0.77)	4.27 (0.75)	4.29 (0.73)

Note: Survey participants used the following response options:
    1 (strongly disagree)
    2 (disagree)
    3 (somewhat disagree)
    4 (somewhat agree)
    5 (agree)
    6 (strongly agree)

	Organization				
	A **(n=53)**	**B** **(n=99)**	**C** **(n=128)**	**D** **(n=224)**	**E** **(n=286)**
Commitment Items	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)	Mean (SD)
We are all committed to our shared goals.	4.72 (1.05	3.44 (1.42)	4.65 (1.03)	4.26 (1.11)	4.76 (0.92)
We stay focused on our mission.	4.66 (1.02)	3.70 (1.41)	4.63 (1.11)	4.39 (0.96)	4.90 (0.89)
We can count on one another to support our goals.	4.90 (0.85)	3.28 (1.32)	4.69 (1.05)	4.25 (1.04)	4.60 (0.89)
We put our shared success above our individual success.	4.73 (0.95)	3.16 (1.43)	4.34 (1.19)	4.14 (1.13)	4.42 (1.14)
All of us feel ownership for our collective success.	4.46 (1.00)	3.34 (1.44)	4.65 (1.12)	4.28 (1.10)	4.50 (1.00)
When our commitment gets low, we know how to get everyone committed again.	4.40 (1.03)	3.01 (1.37)	4.40 (1.10)	3.80 (1.08)	4.17 (0.91)
When changes in our work take us in a new or different direction, we know how to get everyone fully committed again.	4.46 (1.04)	2.96 (1.38)	4.47 (1.01)	4.06 (0.98)	4.24 (0.89)
Commitment Scale Score	4.61 (0.79)	3.17 (1.30)	4.56 (0.80)	4.16 (0.85)	4.52 (0.73)

Note: Survey participants used the following response options:
    1 (strongly disagree)
    2 (disagree)
    3 (somewhat disagree)
    4 (somewhat agree)
    5 (agree)
    6 (strongly agree)

Ordering Information

To get more information, to order other CCL Press publications, or to find out about bulk-order discounts, please contact us by phone at 336-545-2810 or visit our online bookstore at **www.ccl.org/publications**.

Interdependent Leadership in Organizations
Evidence from Six Case Studies

In September 2005, the Connected Leadership Project Team at the Center for Creative Leadership undertook to design and implement a case study research project to better understand 'interdependent' leadership in organizations. Our assumption was that for organizations to deal effectively with increasing complexity in their environments, new approaches to leadership are needed—approaches that are themselves more complex than current approaches.

We relied on constructive-developmental theory and related frameworks to hypothesize about these new approaches; however, there was limited research examining organization and leadership development through a constructive-developmental lens. We chose a multiple case study research strategy based on a sample of organizations thought to exemplify interdependent leadership.

This report outlines the theoretical frameworks and the research questions that guided our inquiry, then describes our methods and results. We conclude with our ideas about future directions based on what we learned in this first phase of a longer-term project.

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