

COPING WITH ORGANIZATIONAL CHANGE:  
A MULTIDIMENSIONAL PERSPECTIVE

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## ABSTRACT

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### COPING WITH ORGANIZATIONAL CHANGE:

#### A MULTIDIMENSIONAL PERSPECTIVE

This paper introduces a unified model for organizational change that is designed to help change analysts think through the decision-making process. Most organizational leaders do not manage change effectively because they fail to acquire the minimum amount of information necessary to make a sound decision. In large part, this deficiency is a result of considering only a small part of the organization's total change reality, which can be expressed in terms of the following four categories: 1) Environment creates change, 2) Organization responds to environmental change, 3) Organization initiates new changes, and 4) Organization changes environment. Through the principle of *diagnostic communication*, leaders can adjust to the incoming changes [categories 1 and 2]. Through the principle of *rhetorical communication*, they can create effective outgoing changes [categories 3 and 4]. Through the principle of *dialogical communication*, they can achieve a strategic balance between too much conformity, which results from diagnostic communication in isolation, and too much non-conformity, which results from communication in isolation. By understanding and communicating about change from this multi-dimensional perspective, organizational leaders, both designated and non-designated, can learn to appreciate the extent to which they influence and are influenced by the larger cultural environment of which they are a part.

Elizabeth M. Goering, Ph.D., Chair

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## SECTION I: A NEW MODEL FOR CHANGE

### *Introduction*

While most organizational leaders seem to know that change is both unavoidable and unpredictable, many fail to confront it in a meaningful and proactive way. In some ways, their hesitancy is understandable because change can mean discomfort, disruption, disorientation, and even stress for anyone who is being asked to manage it or cope with it. It is little wonder, then, that decision-makers often seek out advice from change specialists, academics, or business leaders capable of providing new insights on change strategy.

As change analysts inform us, globalization, technological improvements, and the new knowledge economy, while providing numerous economic benefits on a large scale, have, at the same time, flooded the communicative environment with a potentially unmanageable quantity of information, making it increasingly difficult for organizations to communicate and make sound decisions about change. Now, suddenly, in the midst of this complex cultural shift, the business world has been burdened with an anxiety-producing economic crisis that threatens to shake the foundations of the commercial enterprise itself. Predictably, many organizations are in a state of flux, uncertain not only about their own future but also about the market-driven system that established the rules for doing business in the first place.

As a result, priorities for growth and development have, in many respects, given way to urgent concerns for survival, causing management to focus less on trying to win and more on trying not to lose. If the late Abraham Maslow could return to describe this new phenomenon, he might argue that many of our institutions have stopped striving for

“ego satisfaction” and “self-actualization,” focusing instead on “basic needs” and “security.” Decision makers often ask questions such as these: “How do we make it until things get better?” or “Are we going to make it at all?” Among private organizations, of course, it has always been the case that most new businesses fail early, so there is nothing new in the idea that an organization can be on the losing end in the battle for competitive advantage. What has changed, though, are attitudes and perceptions about what constitutes a fair playing field and who, if anyone, deserves to be designated as “too big to fail.”

This paper will introduce and test a new model for organizational change in the hope that, if organizational leaders understand and communicate about change in a comprehensive way, that is, from a multidimensional perspective, they can learn to successfully cope with a wide variety of problems, make sense of their change strategy, and improve the communication/decision-making process. In that sense, the report, while recognizing contemporary problems, is not time sensitive; the change model and its corresponding approach to communication strategy will apply to and illuminate most contemporary problems associated with organizational change.

While a great deal of academic literature exists on the subject of group decision making, I have focused mainly, though not exclusively, on “public scholar” literature. It is unfortunate that I find it necessary to exclude such a rich body of well-thought out research, but this strategy serves both the reader and, in this case, the researcher.

Anticipating the reader’s vantage point, I submit that organizational leaders are more likely to find a comprehensive analysis of their main concerns in a well-publicized book than in a scholarly article. Unlike communication researchers, who tend to focus on

one narrowly-focused empirical study, authors who write books about organizational change typically cast their nets much wider, drawing from a wide variety of intellectual resources. As such, they often provide useable, practical and generalizable advice based on numerous studies. Also, writers who achieve high visibility are often invited to make their case in other public venues, enhancing their influence and making it easier for them to frame organizational issues in a language that is likely to resonate with decision makers. Thus, by using this material and the familiar language associated with it, I hope to reach common ground with those entrusted with the responsibility of coping with change in an organizational environment.

Speaking from the researcher's vantage point, I have found that books typically contain complete thought systems or arguments, the substance of which can serve as emerging data from which meaningful categories can often be detected. I sought, as Meyer (2009) puts it, to "function as a detective who is trying to solve a mystery by collecting clues and developing a case." Among other things, I wanted to know what organizational change looks like from a "big picture" perspective. From that new vantage point, I reasoned that I would gain valuable insights about how organizations can better cope with organizational change and make sound decisions in that context. Thus, it was necessary to assemble pieces of the puzzle one step at a time. In this observer's opinion, books often reflect this broader analysis better than scholarly articles by virtue of the sheer volume of information contained in them. As the input of relevant information increases, the patterns that emerge become more clearly perceived and are more likely to reflect the real world.

On a related point, my aim is not to challenge the validity of any given communication theory, but rather to utilize various communicative approaches in order to illuminate the subject matter. I am framing public scholarship related to organizational change from a communication perspective for the sole purpose of developing a new way of understanding organizational change. By no means do I seek to address all the substantive issues related to communication theory. To be sure, there will be times when I find one communication theory more useful than another, but that effort should not be interpreted as a judgment about the overall utility of any one perspective.

Section one of the report will contain a review of the change literature, provide a brief description of the ironies and paradoxes inherent in the challenge of coping with organizational change, highlight the self-limiting problem of fragmented thinking, and present for the first time, a solution to that problem--a four quadrant change model that describes the total change reality that all organizations must face. To further support this model, I will also introduce a tripartite communication strategy for applying these four change quadrants. Section two of the report will extend on the principles found in section one, providing an overview of how each change quadrant may be used to enhance the organization's communication and decision making process. Finally, in section three I will set up a case study to test the model and show how it can be used to analyze and cope with any change situation.

### *Review of Change Literature*

Although the literature on change is both informative and abundant, it can also be confusing and even a little maddening. Disagreement exists not only about what constitutes good change strategy, but also about the very nature of the organization and

even about the nature of change itself. As change analysts, we appear to have listened to too many answers and asked too few questions, especially the kinds of questions that highlight the inconsistencies found in the change literature. Among the many possible standards for measuring organizational excellence, for example, which one of the following matters most? Is it long-term profitability (Randolph, 1979), stockholder value (Jensen, 2000), customer service (Drucker, 2005) organizational development (Schein, 1985), or the management of talent (Senge, 1998)? One will encounter no difficulty in finding change analysts who will argue strenuously for each position.

Does effective change begin at the top (Ghoshal, 1998), or does it emerge from the bottom (Weick, 1995)? Should change analysts focus primarily on changing the organization's structure (Dunphy, 2000) or should they pay more attention to transforming its culture (Bennis, 2000)? To choose the consultant is to have chosen the answer and one's organizational strategy in advance. Yet, the problem persists. Should organizations be soliciting advice from consultants without asking all the preliminary questions about what kind of advice they may be getting? Extending the point, some experienced executives recommend gradualism, or, as it is often characterized, "constant and never ending improvement," (Kanter, 1997; Regan, 2000) while others warn us against the dangers of "polishing yesterday's apple," as they continually dramatize the folly of perfecting the obsolete (Peters, 2003). So, which is it? Do we polish the apple or not? In keeping with that point, how do we reconcile one analyst's proposal to establish a change culture (Kotter, 1998) with another specialist's assertion that "it is easier to kill an organization than to change it" (Kelly, as cited in Peters, 2003, p. 31)? From these

quarters, at least, it appears that too many analysts are providing solutions without seriously weighing their implications.

Even on the subject of change in the abstract, debate rages. Does change have a core, meaning are there are some unchanging realities around which change occurs (Naisbett, 2005) or does it, as social constructionists tell us, admit of no final anchor point (Mazaar, 1999)? This is no small problem. If change has a core, organizations ought to maintain a semblance of stability and build their structure and culture around that core, namely its unifying purpose or mission. If change does not have a core, then, as Gilmore and Pine (2009) have suggested, the organization's mission is perpetually subject to change and, one gathers, should be subordinated to and aligned with market demands and other environmental influences, even if that means abandoning its original reason for being. Even at that, is "culture" something that leaders should build with an end in mind, or is it something that should be allowed to evolve in its own way? Pressing the issue even further, especially on the matter of inter-organizational communication, should organizations attempt to exert a linear influence ON the consumer by inculcating persuasive symbols and brands in the public consciousness, (Stiff, 2006) or should they establish a reflexive dialogue WITH their consumers in the form of a trust relationship (Peppers and Rogers, 2008)? Is public communication and persuasion about giving people what they want, or is it about changing them to want what the organization wants them to want? Should organizational leaders conform to a universal code of ethics, or should they think of themselves as being in "a war of all against all,"--or, as former CEO Paul Allaire puts it, (as cited in Peters, 2003, p. 23) "a brawl with no rules?" These are only a few of the numerous paradoxes and challenges that cannot be adequately



accounted for in a review of the current literature. How, then, can we reflect reality as clearly and accurately as possible without oversimplifying the matter? So far, the typical organization's approach to confronting these and other questions is this: Don't ask; don't tell. Just choose your favorite theorist and have faith.

### *Mental Models and the Problem of Fragmented Thinking*

Putting aside for a moment the question about how change analysts *should* think about reality, it is well to consider how, in fact, they *do* think about reality. This brings us to the current state of affairs and the organizational leader's typical, one could even say, universal approach to coping with change. Research shows that, from an individual perspective, every action that managers take is based on some theory even if it is not explicitly verbalized (Christensen and Raynor, 2003), a theory some would describe as "intuitive" (Beer and Nohria, 2000). Without embracing some world view about what change is, how it works, and what the organization can do about it, most decision makers could not plan a consistent strategy for transforming an organization or make a persuasive case for implementing it. While they may not be able to define their world view, indeed, while they are not likely even aware of it, they do tend to act in a way that is consistent with some unified set of perspectives (Carr, 1996). Otherwise, they could not make sense of their change environment or decide what it is likely to mean for the organization.

On the other hand, the current research does not describe, define, or identify these intuitions or implied world views, nor does it hint at how many there might be. As this paper will soon make clear, there are four identifiable, yet unrecognized, change models that influence organizational strategy and that most change analysts unconsciously

choose from one of those four to illuminate their change strategy. Since each of these models reflects only a small part of the total change reality, none can incorporate the full range of perspectives needed to foster effective communication and sound decision making.

Isolated from the big picture, each mental model, though informative in its limited context, prompts the decision maker to focus only on those problems or opportunities that are made evident in that context, while discounting or even ignoring those that are not. Without realizing it, organizational leaders unconsciously engage in what Parrish-Sprowl (2003) has characterized as “the privileging of a perspective” (p. 292). Mistakenly believing that they have acquired the minimum amount of information needed to make a sound decision, or, having no model that will stimulate the right kinds of questions, they often develop premature and unrealistic change strategies, or in some cases, given the paradoxes and contradictions found in the change literature, despair even of setting the sound objectives around which a realistic strategy can be formed. All too often, this fragmentary analysis of the change dynamic leads to unnecessarily radical approaches for coping with it. Until the current economic crisis, organizational leaders had become especially vulnerable to one of two extremes: Some erred on the side of undue pessimism, slavishly reacting to popular trends as if they had little or no power to create change; others erred on the side of undue optimism, pushing one bold initiative after another as if their powers were limitless. Predictably, current challenges have prompted a movement back toward pessimism, but the proclivity to rely on a constricted and fragmentary mental model persists.

Adding yet another element of complexity, decision makers inside the organization often seek counsel from outside change specialists, all of whom embrace their own favorite paradigm and the strategy or strategies that derive from it. Thus, there is no guarantee that consistency or continuity will follow from one consultant to the next, adding yet one more in a series of destabilizing events. Research shows that, among all new programs initiated by change experts, only one third create a positive benefit (Hall, Rosenthal, and Wade, 1994). According to Robbins and Finley (1996), one Midwestern institution subjected its employees to nine major strategic changes over a seven-year period, which included experiments in Quality Circles, TQM (Total Quality Management), Reengineering, Mission and Vision, Delaying, Learning Organization, Teams, Customer Satisfaction, and Empowerment. Ironically, all this tinkering with the organization's structure stems from the constricted and simplistic notion that organizations can do little more than react to the world around them, a world view that can and will be included as one of the four change paradigms.

The situation is somewhat more varied with scholars, change specialists, and all those who theorize about organizational change. Like organizational leaders, theoreticians implicitly work and think through unidentified and undefined change paradigms to arrive at meaningful change strategies. Unlike organizational leaders, theorists may well consider subject matter on a scale broad enough to suggest two or more of the four mental models, but they do not recognize them as models or as parts of a larger whole, and cannot, therefore, integrate them into a comprehensive framework for understanding the total change reality. "An integrated theory or framework for understanding change does not exist" (Beer and Nohria, 2000, p. 1). Although the

literature on change management fails to take account of these aforementioned change categories, a few authors have developed operational terms that hint at them, providing the raw materials for further analysis and interpretation. Several analysts have written about what might be described as the inside/outside dimension. Bossidy and Charan (2004), for example, imply two categories, contrasting [a] “external realities, which include overall business environment, history of the industry, and customer base,” with [b] “internal activities, which include strategy, operations, and people” (p. 6). Making almost the same point, Bishop (2001), distinguishes the act of “assessing the reality of the world” with the act of “assessing the change capacity inside the organization” (p. 110). Also, it should be noted that some thinkers have approached the special problem of organizational “uncertainty” first in terms of unpredictability from changes in the *external* environment, (Chandler, 1962), and later as a phenomenon grounded in the subjective, and largely *internal* processes of perception, (McGrath, 1970).

Other analysts have hinted at a second dimension that might be characterized as the change-adjustment/change creation dimension. Drucker (1993), for example, differentiates between “anticipating a future that has already happened” and “imposing on the yet unborn future a new idea that tries to give direction and shape to what is to come” (p. 173). Describing a similar relationship, Randolph (1979) marks the difference between managing the organization’s momentum (trend impact) and managing its potential (resource capability). In a slightly different context, Sutcliffe (2001) points out that organizations can be reactive or pro-active as they manage the flow of information. Dramatizing the point in jurisprudential language, Pepper and Rogers, (2008) distinguish

institutional “laws” that cannot be avoided and must be followed (conforming to the status quo) from “rules” that can and should be broken (changing the status quo).

What becomes evident is the fact that both dimensions (external change/internal change) and (change adjustment/change creation) underlie the total change phenomenon and that each of the four elements involved can be translated into a meaningful and comprehensive change paradigm that reflects the current influences on communication and decision making.

### *The Four Change Paradigms*

In its own way, each change paradigm prompts the organization to orient itself to the future in accordance with a strongly implied set of assumptions. Not surprisingly, each one, though incomplete, tends to masquerade as the total change reality.

#### *The External Change Paradigm.*

This first category focuses on opportunities and problems found outside the organization. Some analysts, such as Naisbett (1998) and Toffler (1981), emphasize the first category insofar as they specialize in examining the external environment, focusing on mega-trends, globalization, and multi-nationalism. These futurists, as they are often labeled, study political, environmental, economic, and cultural dynamics primarily as supra-organizational factors that are likely to impact the organization sooner or later. As Naisbett puts it, “My one -word message for the twenty-first century is ‘Asia’” (p. 212). Implied but not stated is the notion that the external is primary and the internal is secondary.

Friedman (2005) presents a similar world view with a different twist, enumerating the many risks and opportunities inherent in a world which has become flat. He argues

that hierarchies are deteriorating, meaning that any individual or country can become a player in the world's economy. His message is clear: If organizations are to gain a competitive advantage in a flat world, they must learn how to change and align themselves with it. The key competency for this paradigm is "detection"--the ability to discern which, and in what ways, elements external to the organization's existence are likely to affect it.

*The Change Adjustment Paradigm.*

The second paradigm holds that change is something that begins in the external environment but which also immediately establishes itself as a new reality to be reckoned with, inducing the organization to conform to that new reality. Change is, therefore, something to which the organization must adapt, meaning that it must develop intra-organizational functions and strategies that harmonize with trends as they occur and as they are detected in the external environment. Just as the external change paradigm described above, this world view constitutes a fundamentally reactive response to change.

Insofar as the organization depends on information about trends to shape its future, it is adjusting to change, assuming a reactive rather than a proactive approach to change. Bennis (1994) writes, "If change has now become a permanent and accelerating factor in American life, then adaptability to change becomes the most important determinant of survival" (p. 43). In this context, the organizational capabilities that matter most are structural flexibility and the internal readiness for change--the capacity to become flexible, mobile, lean and mean.

*The Internal Change Paradigm.*

Unlike the two patterns described above, the third paradigm is “proactive,” emphasizing intra-organizational culture and its capacity to facilitate creative ideas. Accordingly, it rejects the reactive approach to change management, focusing instead on intra-organizational dynamics and the capacity to conceive a new change reality. Bennis (1998) argues that the major challenge for leaders in the twenty-first century will be how to release the brainpower of their organizations. [Notice that this same author was also cited in the second paradigm, confirming the point that some analysts are not limited to a singular world view]. In support of this same theme, Covey (1998) insists that the key to managing change is to change managerial perspectives so as to help people inside the organization find meaning and fulfillment, and to create high trust cultures by finding and developing principle-centered leaders. The essence of this paradigm is that, from the standpoint of growth and development, what happens on the inside of the organization counts for more than what is going on outside its boundaries.

From this perspective, what matters most is the ability to establish and maintain a culture in which creativity can flourish. Accordingly, the organization de-emphasizes the importance of environmental scanning and stresses the importance of establishing an idea-oriented environment conducive to innovation. Change analysts with this mind set ask such questions as this: Is there a creative process and what are the steps involved? If indeed such a process exists, will it flourish better in an environment characterized as relaxed stimulation or one that reflects time pressures and deadlines?

### *The Change Creation Paradigm.*

Like the internal change paradigm above, this final mental framework is proactive; it bids organizations to stop waiting around for change to happen and to become change agents. In this, sense, it builds on the released brainpower implied in the internal change paradigm described above and extends it to the point of influencing the external environment. Just as the internal change paradigm focuses on the conception of a new idea, the change creation paradigm focuses on the task of converting a new idea into a marketing reality. By developing the organization's potential to create trends and communicate those trends, decision makers can, in effect, take charge of the change phenomenon and exert influence on the external environment. Appropriately, Handy (1998) insists that "the great excitement of the future is that we can shape it" (p. 16). Paraphrasing George Bernard Shaw, he reminds us that, "the reasonable man responds to the world, while the unreasonable man tries to make the world respond to him. All progress (and disasters) comes from the unreasonable person, the person who consciously tries to change the world" (p. 24).

Unlike the two adaptive patterns, this paradigm characterizes the organization or business as a potentially mighty force, one which can, under the right circumstances, transform the very supra-system of which it is a part. Notice also that the change process can be thought of as beginning not with the trends in the external environment but rather with the initiatives launched inside the organization. In this context, it is fascinating that Kuczarski (2000) has found ways to measure the profit return on innovation. With this paradigm, what matters is the organization's capacity to innovate in a spirit of non-conformity-- "to believe that something that has never been done is possible--where all



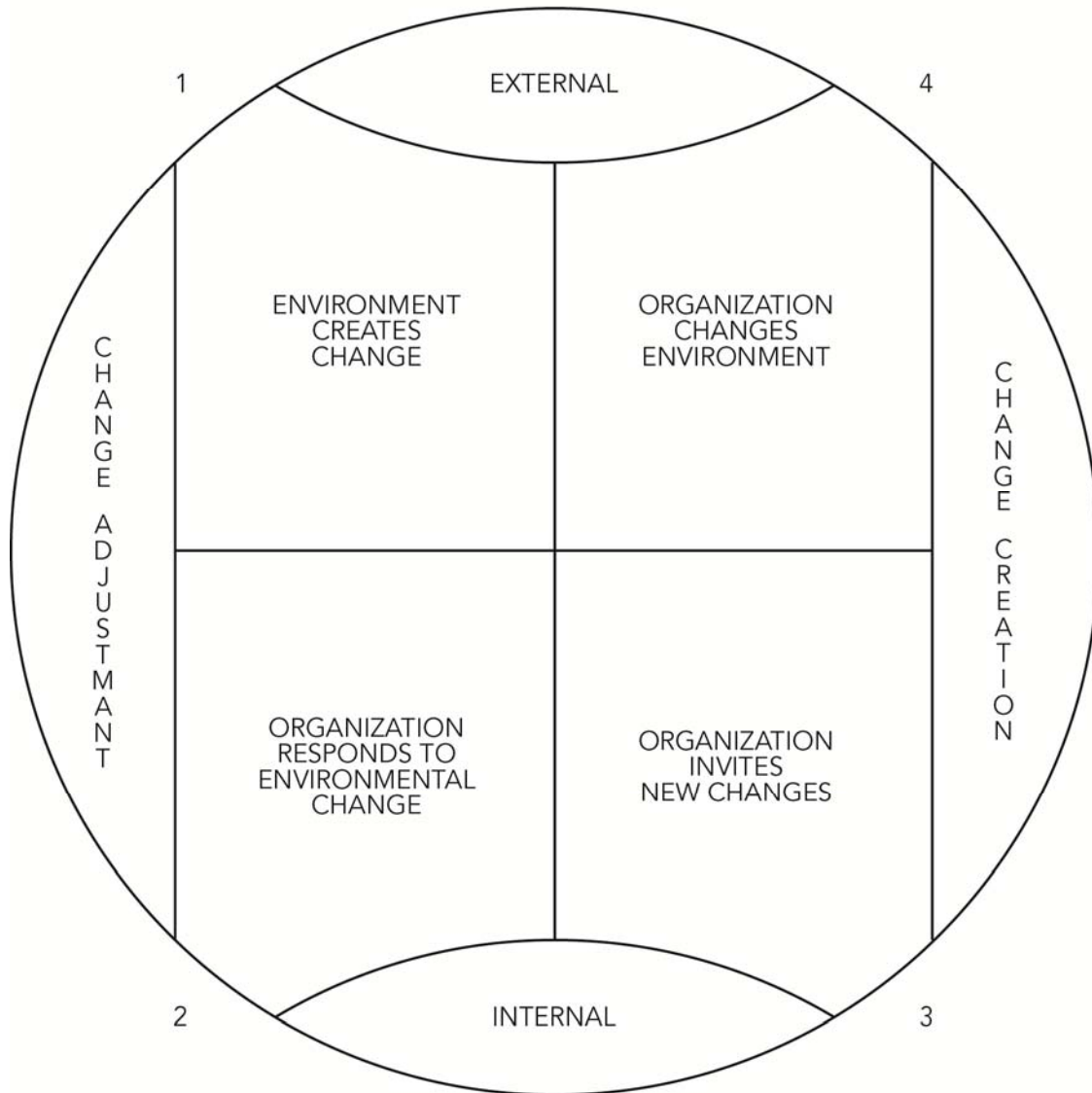
your historical evidence says, ‘no, no, no’ -- but your heart says ‘yes’” (Senge, 1998, p. 145).

*Finding Common Terms.*

It seems evident that these four paradigms, now uncovered and made explicit for the first time, provide a new and important way of understanding organizational change. The total change reality, after all, seems to include not just one or two of these previously unidentified change paradigms, but all four. Still, this new understanding, while valuable on its own terms, does not fully solve the problem of fragmented thinking. In order to convert these paradigms into a comprehensive change model, one final and vitally important modification is necessary. To understand the total change reality, the analyst must also consider how each paradigm relates to the other, how each relates to the whole, and most important, what they all have in common. More precisely, the model must answer three questions: What activities with respect to change does each paradigm represent?--how do the activities of each relate to the other in common terms?--and how can each activity be expressed as part of a larger whole?

*The Change model*

4 CATEGORIES OF CHANGE



If we take all these points into account, we advance to the following four quadrants: 1) Environment creates change, 2) Organization responds to environmental change, 3) Organization initiates new changes, and 4) Organization changes environment. Clearly, this is a radically new way of understanding organizational change, yet it seems

quite natural and congenial with our common-sense understanding about the nature of the challenges that the organization must face.

As strategic tools for analysis, these four ways of thinking about change are both distinct and interdependent. It would not be reasonable, for example, to suggest that organizations should, in principle, choose either to adapt to change or create it, as if each strategy could be excluded from the other. Nor would it be reasonable to suggest that what goes on outside the organization constitutes a radically different world than what goes on inside the organization. The purpose for distinguishing these categories is not to separate them but rather to consider them individually and as parts of a larger single unity. Fostering harmony among the parts requires communication about the parts, which, in turn, requires knowledge of the parts. In order to successfully navigate through change and to acquire the minimum amount of information needed to make a sound decisions, organizational leaders must consider and communicate about all four change categories and appreciate the potential of each for illuminating intra-organizational and inter-organizational communication, integrating all components into a model that describes the “big picture.” It is only in this multi-dimensional context that the paradoxes and ironies inherent in organizational change become truly comprehensible. It is only in the context of the big picture that all of the pieces of the change puzzle make sense.

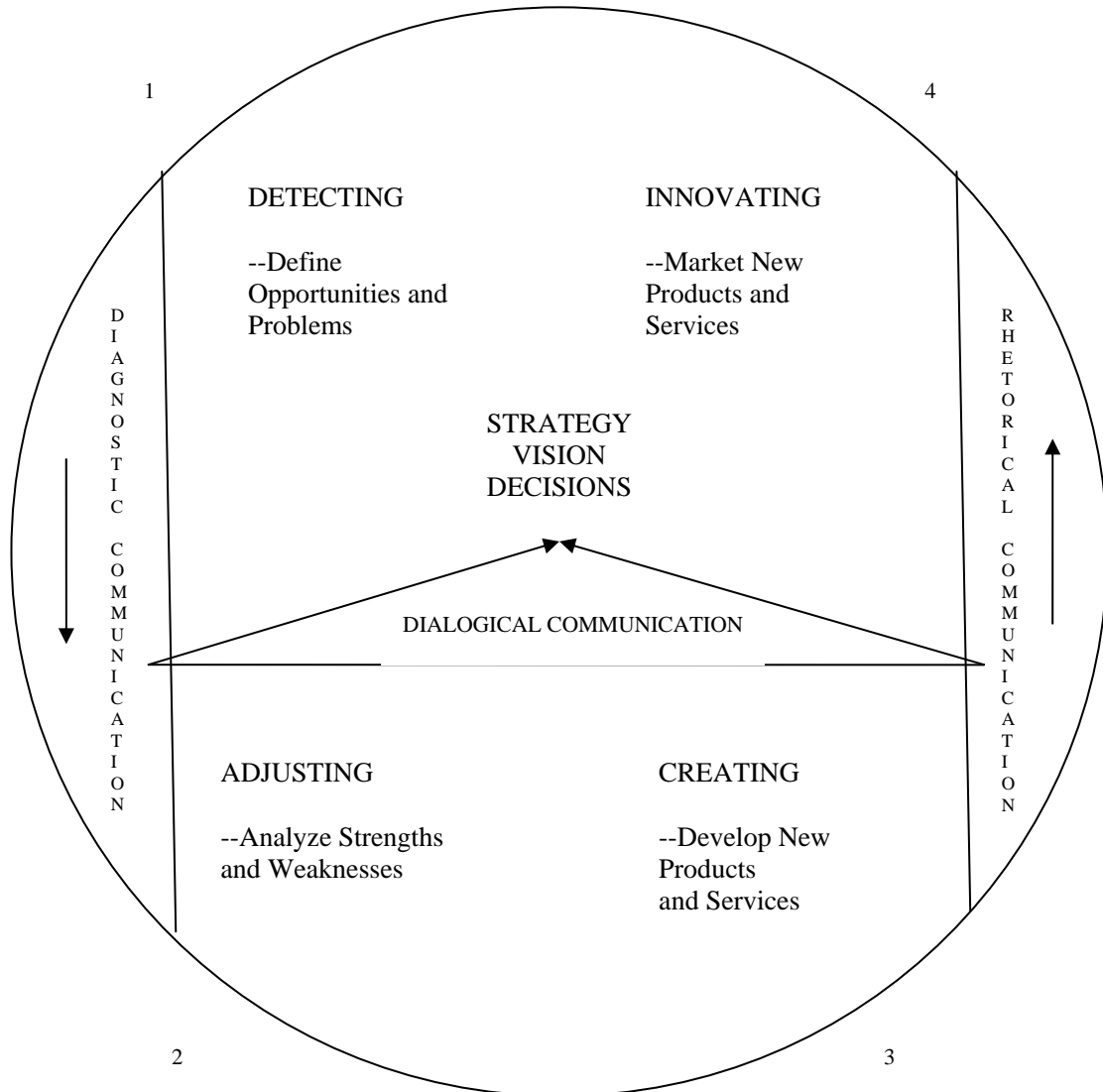
Put simply, sound judgment about change presupposes effective communication about change, which, in turn, presupposes a comprehensive understanding of change. In keeping with this theme, it would seem that much ineffective communication about change has occurred largely because discussions about it have not been conducted from a

multi-dimensional perspective. As Bower (2000) has complained, too often “arguments (about change) exist in separate dimensions of reality” (p. 84).

As organizations contemplate strategies for coping with change, then, they must avoid both extremes. On the one hand, they must acknowledge the fact that merely adapting to change will not empower them: It is not enough for decision makers to recognize trends and respond to them; they must be about the business of creating them. On the other hand, they must also face the fact that they cannot by sheer force of will, imagination, or cleverness, transform the external environment to a point beyond which it is ready to be transformed. Thus, they must manage and create change; they must be both adaptable and innovative. In the current environment, organizational leaders seem to have been doing too much adapting and too little innovating. But how can they know this? The old models, after all, do not encourage the proper balance, much less do they provide, as is written in a famous prayer, the wisdom to “change those things that can and should be changed, to accept those things which cannot be changed, and the wisdom to know the difference.” Organizational leaders cannot communicate and make decisions in the context of the big picture if they do not even know that a big picture exists. As indicated, the old models tend to focus on one or two of these four categories and, for that reason, are too narrow in scope. The only way to improve on a change focus that is too narrow is to broaden it, to integrate all of the change elements into a comprehensive change model, and to construct a communications model that will support it.

*The Communications Triad*

**MODEL B  
COMMUNICATIONS TRIAD**



Once the analyst begins the study of change from a multi-dimensional perspective, it becomes evident that each category of change lends itself to a particular mode of communication. First, one notices that on the left side of the change model,

Quadrants 1 and 2 have something in common: Each has something to do with “adaptation,” meaning that Quadrant 1 defines that which must be adapted to, while Quadrant 2 defines the ways in which the organization must adapt. In both cases, something must be identified or “diagnosed.”

*Diagnostic Communication.*

(See Appendix A for a complete definition of what I mean by “diagnostic communication.”) It is the function of diagnostic communication to detect in the external environment and in the organization any and all events related to change and to provide meaning centered explanations for the purpose of establishing change strategy and making sound decisions. As a communication strategy, diagnostic communication [A] detects in the external environment any and all facts, challenges, opportunities, problems, threats, or trends that the organization must cope with, and [B] identifies the corresponding resources, talents, systems, cultures, strengths and weaknesses inside the organization that define its capacity to respond.

To uncover this kind of information, a certain rigorous logic must be employed. (Randolph, 1979) has suggested that organizations should, in order, define the situation, identify problems/opportunities, establish priorities, anticipate future events, and make a decision about how to judiciously allocate scarce resources. This activity should not be confined to management; everyone in the organization is capable of cultivating sound judgment through the exercise of reason. For Pasmore (1994), responding to change is a function of the organization, not the individual. From this perspective, trends push in on the organization from the outside, providing the organization’s main impetus for shaping vision, strategies, and structure.

### *Rhetorical Communication*

On the right side of the model (Quadrants 3 and 4), a decidedly different pattern emerges. As active change agents, members inside the organization look for ways to shape the external culture, directly or indirectly, based on their distinctive personalities, values, and skills. That means, through a process of *rhetorical communication*, they collaborate to develop trend makers inside the organization [Q3] and create trends outside the organization [Q4], which is another way of saying that they fashion new ideas and bring those ideas to the market [or in a social/political movement, where they bring those ideas to the public. (Appendix B contains a complete definition of rhetorical communication). To serve that purpose, change agents in the organization learn to identify their own cultural values, create a compatible organizational image, and then express it in the simplest way possible. Taking a proactive approach to change, they focus less on waiting for market trends to unfold and more on influencing the market with a compelling new product or service; less on conducting a linear-based analysis of past events and current “realities” (diagnostic) and more on facilitating an exercise in socially constructed creativity/innovation for future “possibilities” (rhetorical).

While not oblivious to the impact of environmental change, rhetorical communication places its emphasis on the organization’s capacity to become a change maker. It recognizes, as Drucker (2005) has pointed out, that most environmental changes do not matter and will not last. From the rhetorical perspective, the talents, passions, experiences, and goals of members inside the organization constitute change’s starting point. From the standpoint of securing a competitive advantage, it is less about

*responding* to threats and problems, as with diagnostic communication, and more about *becoming* a threat and a problem.

*Dialogical Communication.*

Earlier, I argued that the aforementioned change perspectives, diagnostic and rhetorical, should be distinguished but not separated. This is where the importance of *dialogical communication*, the strategic bridge that connects the other two strategies, becomes vital. (A complete definition may be found in Appendix C.) Just as diagnostic communication provides for an analytical and interpretive account of incoming events; and just as rhetorical communication unleashes the forces of imagination and innovation to shape events on the outside; dialogical communication tempers the demands of the former with the ambitions of the latter. “The tragic error of many change agents is that they fail to understand the status quo well enough to overcome it, and their failure to understand the status quo undermines their change effort” (Martin, 2000, p. 456). The organization’s mission, vision, strategy, and structure should reflect the wisdom gained by allowing advocates for different change perspectives to integrate their ideas. Kelley’s (2001) term “cross pollination” (p. 162). [interdisciplinary collaboration] conveys much the same idea.

This process can be seen more clearly at the level of intrapersonal communication. Ideally, individual career choices are made through a *dialogical* process which weighs the realities of the job market with the talents, abilities, hopes, and dreams of the job seeker. *Diagnostically*, a young man learns that scientists are highly valued and that only extraordinarily talented students can successfully take on that role (change adaptation), *rhetorically*, he wants to shape the environment by making a scientific



contribution (change creation). Unfortunately, his talent in science is considerable but not exceptional. Making the best use of both dimensions, he decides to use his scientific talents to become a physician, reconciling the demands of the market with the desires of his heart (Dialogical communication).

At the organizational level, the same kind of tension must be resolved. The cold hard reality of the external environment must be reconciled with the dynamic passions of change makers inside the organization; both elements must be given full play.

Kuczarski (2001) points out that innovation is the product of a considerable amount of give and take. Typically, for example, 25 to 31 new ideas are reduced to 8 to 10 developed concepts which, in turn, are reduced to 6 to 8 products in the test market, resulting in 2 successful innovations. Unless the change analyst allows for this dynamic of give and take and the inherent tension between present realities and future possibilities, there is no way to make a realistic assessment of the value of any new product or service. Drucker (1999) has gone so far as to say that all new products must be piloted or tested on a small scale. Untested and unrefined innovations cost organizations millions of dollars every year.

#### *Diagnostic Communication and the Problem of Priorities*

As previously defined, “Diagnostic communication” detects external trends and internal competence while interpreting their meanings for the organization; it is both an exercise in scientific inquiry and sensemaking. In the first sense, it is important not only to ask the right questions, but also to ask them in the right order. Randolph (1979) has shown that the answer to one fundamental question can simplify and sharpen the decision-making process since it obviates the need for hundreds of other less fundamental

questions, saving incalculable time, energy, and confusion. From a strategic perspective, questions about definition (based on a gathering of facts) precede questions about analysis (based on an interpretation of facts) which, in turn, precede questions about forecasting, which, in turn precede questions about policies and decisions. To *define* one's business with precision, for example, is to negate all those things which the business is not, eliminating the need to *analyze* anything irrelevant to its mission and purpose, or to *forecast* any future contingency that does not affect it. Although primary questions matter most, they are also the most difficult to answer and the least likely to be addressed (Drucker, 2004).

It is also important to understand the limits to which the terms external and internal may be applied. From a *bona fide group perspective*, organizational boundaries are *permeable* and their change dynamic is *interdependent with the context* of the external environment (Putnam and Stohl, 2003). One need not look very far for practical applications. According to Prahalad (1998), companies often find it difficult to distinguish between collaborators and competitors. He writes, "Sony, for example, competes with Philips, but at the same time, supplies to Philips, just as Philips supplies to Sony. Similarly, IBM and Apple are competitors but they are also collaborators" (p. 66). Even the so-called employee boundary for employment has changed shape. "Traditional organizations now employ only 55% of the workforce on a full-time basis. The rest are temporary, part-time, or contractual workers" (Handy, 1998, p. 22).

What, then, does diagnostic communication do? It answers the following question: What is the minimum amount of information needed to make a sound decision about change adaptation. The plain fact is that there is simply too much information

available for any individual or organization to make sense out of it without being selective in some way. What matters is which bits of that massive repository are selected, how they are processed, and toward what end. Shockley-Zalabak (2003) has proposed a process model for analysis which includes data collection, data evaluation, planning solutions, and evaluating results. While useful, this process does not sufficiently address the problem about how much information is needed, nor does it indicate how that information might be translated into the priorities that define organizational direction. In that context, Randolph's (1983) application of Pareto's famous 80/20 principle seems best: Organizations have enough information when the same answers or repeated patterns begin to emerge from the collected data such that the 20% of the facts which determine 80% of organizational impact are detected. Once these patterns are detected, the organization can place its priorities in rank order of importance and establish meaningful direction. Diagnostic communication makes sense out of the challenges posed by the organization's external environment and the organizations' internal capacity to meet those challenges by establishing a hierarchy of values and priorities.

In the context of change adaptation, therefore, "sensemaking," should convey a sense of *shared priorities*--a sense of coming to agreement about which changes matter most, which resources are most valuable, and which courses of action are the most desirable. It is not enough, for example, to identify an organization's strengths; they must be placed in rank order of importance (Randolph, 1983). The same standard applies to any other interpretive value derived from the data.

Diagnostic communication always assumes an awareness of the critical distinction between the external environment and the internal organization. Drucker

(1993), for example, argues that most of what a company needs to learn about the future it is going to learn outside its industry. In keeping with Drucker's assertion, Hamel (1998) goes on to point out that "most managers (mistakenly) think about strategy by starting out with their own particular industry to establish the boundary lines" (p. 82). Analysts who assess the organization's external environmental and internal climate should take into account all relevant facts that are measurable (Jensen, 2000) and contemplate what those facts could mean (Kotter, 1998). A competitive analysis or attitude survey, for example, should contain statistics and mathematical proportions, but it should also include meaning centered interpretations based on the S.W.O.T. analysis [Strengths, Weaknesses, Opportunities Problems] (Andrews, 1971) and express them in rank order of importance (Randolph, 1974), so that, in effect, "sensemaking" becomes "priority" making.

Effective diagnostic communication involves and leads to the establishment of priorities; without priorities there is no direction, and without direction, change management becomes chaotic. Organizational scanning does provide information, but unless that information is processed and subjected to the diagnostic principle, it cannot be successfully translated into a hierarchy of values. Without hierarchal values and shared priorities, organizational members cannot convert massive amounts of information into manageable units, identify with the larger vision, or offer informed recommendations about how that vision may be realized.

#### *Rhetorical Communication and the Problem of Language*

While diagnostic communication processes facts about the organization and its environment, converting them into meaningful priorities, "rhetorical communication"

processes the creative instincts of organizational members, converting them into innovative initiatives. The former strategy deals primarily with adapting to change, while the latter strategy facilitates the task of creating change. While there are political, social, and linguistic elements to rhetorical communication, all of which will be discussed in Section II, this section, for introductory purposes, focuses mainly on the latter.

It is interesting that most experts on creating change distinguish between “creativity” and “innovation.” Amabile (1996) explains the difference: “creativity is the generation of novel and appropriate ideas; innovation implements those ideas and thereby changes the order of things in the world” (p. 35). Mauzy and Harriman (2003) add this: “Creativity is about breaking down prior assumptions and making new connections for new ideas. Innovation means taking new ideas and turning them into corporate and market place reality” (p. 6). The careful reader will notice that creativity is analogous to internal rhetorical communication (Category 3) and innovation is analogous to external rhetorical communication (Category 4). In this report, creative communication focuses on the task of conceiving through collaboration a product, service, or brand; innovative communication focuses on marketing those products/services and assessing their impact on the external environment.

Although creativity and innovation are obviously related in an intimate way, much can be gained by analyzing each function. First, it is the creative idea that evolves into the innovative reality. From a communications perspective, creativity is primarily a function of the organization’s word patterns, its creative climate, and its openness to change. While the other two issues will be explored in Section II, it seems prudent to provide a preliminary explanation of the first point about words, which will help

illuminate both the distinction and the relationship between creativity and innovation. It is hard to overestimate the importance of communication and language in developing new creative ideas. Kelley (2001) discusses the importance of thinking in terms of verbs rather than nouns, confirming the point that creativity is enhanced when members of an organization begin to visualize a product or service being used in a special way. The simple act of shifting from static language to action oriented language can begin the process which may well culminate in a life-changing idea. When those verbs convey a sense of experience (Peters, 1997), the potential impact is even greater. Examples include: “like sleeping on air” or “ride the wild surf”.

Linguistic devices can also simplify complex ideas and render them compelling. Mauzy and Harriman (2003) write, “Using metaphors help people expand the divergent exploration stage of the purposeful creativity process by revealing previously invisible relationships” (p. 155). They explain that the “blizzard” metaphor helped one company understand a customer’s frustrations with too much paperwork. Metaphors can define a business conference, launch a sales promotion, comfort disconsolate employees, unify a presentation, and even build a company’s image. Metaphors are so powerful that they can break through the internal *creativity* function and shape the environment directly [*innovation*]. According to Bennis (1998), former president Ronald Reagan was called the great communicator “because he used metaphors that people could identify with” (p. 155). Indeed, both major political parties have created change by developing a well crafted metaphor. In 1994, the Republican Party gained control of the senate by characterizing their new bold economic plan as a “contract *with* America.” In 1996, the Democratic Party helped itself secure a second term in the White house by hearkening

back to that same initiative as a “contract *on* America.” The balance of power may well have been decided by a single preposition.

While the metaphor serves as a powerful communicative tool for inspiring a creative effort and/or informing an innovative initiative, it is the act of conceiving the organization’s *design strategy* and *brand name* that promises to unify its creative effort with its overall mission or purpose. In that context, verbs and metaphors often spark the creative ideas and, on occasion, serve as the raw materials for the brand name itself. Communication is, or should be, an integral part of any effort to create an imaginative product or service, describe its personality, and tell the world about it. When something of value is communicated as a brand, it becomes compelling theme or story--a source of enthusiasm with which both employees and potential customers can identify. A brand can tell a story with a single word or image. This form of rhetorical communication constitutes one of the best ways to “create the future” because it determines ahead of time how its message is to be interpreted. Goering (1992) has shown that even relatively small organizations can alter the external environment by communicating value through symbols. Complementing this theme, Radtke (1998) has made it clear that public communication is most effective when the persuader explains to the audience/public what a product’s benefits will mean to them. Brand identity does not leave that interpretation to chance, because it tells the organization’s story, establishes a unifying theme which makes the product instantly comprehensible, and hints at the most important potential benefits to a customer. A limiting factor consists in the fact that the persuader must, at least in the short run, design the message in accordance with the potential customer’s (audiences) values. Goldratt (1998) agrees and makes this distinction, “In the market’s

eyes, the value of the product doesn't come from the effort and expense you put into producing it. It comes from the benefits the customers think it will bring them" (p. 118).

Even these limitations must be understood in the total creative context, however, because in some cases, the organization can, through the long term application of public communication techniques, change value perceptions or even the values themselves (Woodward and Denton, 2000).

### *Dialogical Communication and the Problem of Balance*

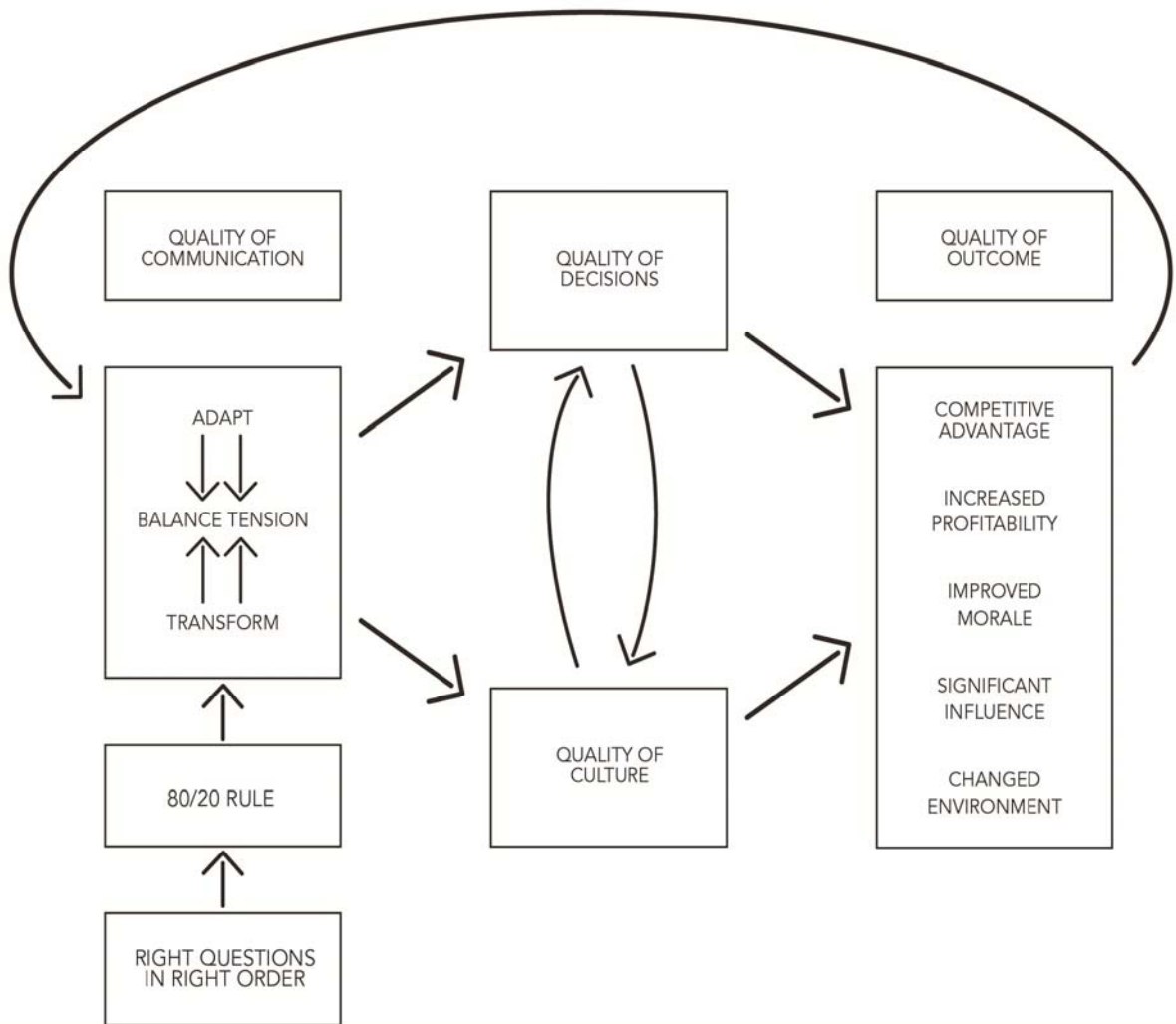
Though diagnostic communication detects the impact of incoming change and rhetorical communication shapes the prospects for outgoing change, neither mode can or should operate separately, because each assumes, and is informed by, its own perception of reality. "Dialogical communication" bridges the gap between too much conformity, which can result from diagnostic communication in isolation, and too much non-conformity, which can result from rhetorical communication in isolation. More precisely, dialogical communication exposes, identifies, and resolves contradictions and paradoxes that result from juxtaposing the other two modes.

Every organization is called on to balance the tension between two competing instincts, which are the need to adapt to its environment and the desire to transform it. The need to adapt tends toward safety, security, and survival, cautioning the organization to take as few risks as possible; the desire to transform tends toward adventure, success, and significance, challenging the organization to take as many risks as necessary. In this context, quality communication is defined as the extent to which the organization resolves this tension and reaches the optimum balance. As the quality of communication improves, the quality of the organization's decisions and its decision-making culture



improve, leading to a quality organizational output, which, in turn, creates a new change reality. To achieve the optimum balance, however, the organization must acquire the minimum amount of information needed to create tension by [a] asking the right questions in the right order and [b] applying the 80/20 rule, both of which equip the organization to establish its vital few priorities.

*Strategic Balance Theory*



Perhaps an example would help illustrate the importance of analyzing and communicating about change from a strategically balanced perspective. Discussing the advantages of owning a large market share, Ries and Trout (1998) assume an *adaptive* approach to change, writing that lead brands own the “top of the mountain” position. According to their report, “15 out of 20 lead brands established in 1923 are still in the number one place” (p. 187). In other words, most organizations must *adapt* themselves to the reality that an unbridgeable gap separates brand leaders from lesser-known organizations. On the other hand, Peters (1997), with a *transformative* emphasis, explains that innovative organizations can and do bridge that gap with remarkable regularity. Rubbermaid Corporation, for example, has achieved “brand recognition scores that rank right up there with Coke and Walt Disney.” Further, Snapple Corporation did the impossible by “bumping Pepsi and Coke” (p. 337). From this perspective, organizations can *create* their own change reality.

Thus, we have two very important facts, each which seems to be at variance with the other and both of which require the organization’s serious attention. On the one hand, given what we now know to be possible, the verdict rendered through diagnostic communication in isolation, while important and informative, proved itself to be too limiting. The gulf between brand leaders and lesser known organizations, in spite of all the historical indications and warnings to the contrary, does not really constitute an unbridgeable gap. On the other hand, given that same history, complete with examples of organizations that failed by discounting the power of well-established brand names, the verdict rendered through rhetorical communication in isolation, which is often characterized by a full-speed-ahead, “damn the torpedoes” mentality often proves itself to

be too naïve. The gap between brand leaders and lesser organizations is, indeed, an exceedingly difficult obstacle to overcome and any attempt to do so is fraught with high risk. In that context, the organization, if it is to successfully cope with change, must avoid using the promise of future possibilities as an excuse for avoiding the present reality, just as it must avoid using present reality as an excuse failing to reach for the outer edges of the possible. The challenge is to recognize both the power of change's momentum and the organization's potential power to reverse that momentum, respecting the ordinary and normal while striving to be extraordinary and exceptional.

When the promise of theoretical possibilities and the challenge of practical realities are understood as part of the total change reality, decision making becomes less strenuous and communication more productive. A situation such as the aforementioned, for example, would seem to require a series of pilot tests in order to determine the plausibility of ever breaking the brand hold. Or, if the organization wants to risk investing in a serious campaign to break into the major brand arena, knowing that it is possible, it should investigate how and why those few organizations that succeeded at such an improbable task overcame all the obstacles standing in the way. Dialogical communication grapples with contrary notions such as these and therefore provides a sense of perspective about change that takes into account all of its various aspects. Without an awareness of the multi-dimensional aspect of change, however, change analysts are unlikely to weigh the two perspectives, one against the other.

#### *Dialogical Communication and Co-creation*

It would be a mistake, however to associate dialogical communication exclusively with activities involving disagreement and dispute. At its highest level, dialogical

communication reflects the principle of co-creation. To dialogue at the level of conflict, a good thing, to be sure, is, in one respect, to exchange ideas that are presumably in finished form. The question for spirited dialogue is this: “Which of our many ideas presented will survive scrutiny?” That is a noble question and its principle ought to be implemented often at the organizational level, but it is not the highest form of dialogical communication, which might best be described as “co-creation.” To co-create is to submit ideas as they are being conceived and formed, to offer them up for consideration and revision in process, and to celebrate their fusion with other ideas that are being conceived and formed, asking, in effect, “How can we take the raw materials of our individual conceptions and collectively form them into a high quality diagnosis or a life changing innovation?” [Section II will discuss co-creation in greater detail]. Dialogical communication that does not rise to the level of co-creation can be productive only when it facilitates a non-personal conflict of visions and avoids the non-productive ego-centered power conflicts. Because it entails the public sharing of valuable information that could potentially be used for personal advantage, it requires a level of trust that is not present in many organizations and for that reason is not always possible without a change in the organization’s culture. Thus, all levels of dialogical communication, from high conflict to low conflict, flourish only in an environment of mutual respect among organizational members. As Light (1998) and Nevis, Lancour, and Vassallo (1996) argue, spirited dialogue inevitably leads to conflict, so employees at every level need to be trained in diplomacy and consensus building. That is why Hanson (1996) believes that the process of giving and asking for feedback is the most important interpersonal skill for fostering the right kind of organizational climate, not only to manage conflict, but, in

some cases to foster it where the fear of healthy conflict is present. Many, after all, say “yes” when they mean to say “no” (Perlow, 2003).

As a practical matter, dialogical communication cannot thrive in an organization where managers are inimical to the idea of multi-level collaboration. Unless the participatory ethic is in play, dialogical communication is compromised because members from all disciplines and levels of management will not be accessible to each other and therefore unable to persuade each other. Unfortunately, the leaders of most organizations either do not understand or refuse to accept the benefits of reciprocal persuasion. For them the function of persuasion is unilateral and linear, useful only as a means of creating employee “buy in” to the organization’s mission, strategy, and goals-- aimed only at the challenge of persuading employees to identify with management’s ways of coping with and creating change. Sadly, even those who believe in the concept of employee involvement often frame the issue in terms of overcoming resistance to change (Coch and French, 1988). This raises a more fundamental question, however. If leaders can persuade employees to accept the changes they propose, why should they not, in a more collaborative sense, foster a communicative environment in which the employees themselves can help diagnose the needed changes and will, therefore, have no need to be persuaded at all?

## SECTION II: USING THE CHANGE MODEL FOR ARGUMENT AND ANALYSIS

In the first section, I tried to show that [A] thinking about organizational change in a fragmentary way compromises communication and decision making, and [B] the solution to that problem is to understand change from a multidimensional perspective. More precisely, I have described the “total change reality,” a model comprised of four distinct but interactive categories, and I have recommended, as a corresponding model, the “communications triad,” a three part strategy for diagnosing change, creating change, and weighing the challenges of each task in the light of wisdom obtained from the other. Until now, the study has been inductive, developing a change model and the attendant communication strategies from the useful but fragmentary concepts found in the change literature. From this point forward, the study will be deductive, assuming the change model as the context for analysis and using its framework to identify, clarify, and make sense of what, from these quarters, appear to be the main controversies and confusions that organizations face as they seek to communicate and make sound decisions about change.

In that sense, I will develop the model in much greater depth, filling in the paradigmatic skeleton already presented, as it were, with the flesh, blood, and bones that make up the most important elements of the total change reality. The practical aim of this section is to highlight, from a multi-dimensional perspective, the theoretical approaches that inform most change strategies and, equally important, define the disagreements among theorists about which approaches work best.

### *Quadrant 1: Environment Creates Change*

In order to understand the challenges that the environment places on the organization, the change analyst must learn to *diagnose* the changes that are likely to create the greatest impact. Because of the era in which we now live, organizations, in order to be competitive, must consistently acquire good quality information and use it in productive ways. This change did not happen overnight. One futurist, Toffler (1981) anticipated these events long ago, declaring that information is “the basic raw material of the new period,” which he called, “the third wave.” Bell, (1973) explained that industrial society involved the “coordination of machines and men for the production of goods,” while post-industrial society would be “organized around knowledge, for the purpose of social control and the directing of innovation and change” (p. 20).

We can, with profit, reflect on the fact that this important shift did not come as a big surprise to those who were following social trends, just as the current financial crisis and its associated problems did not come as a major shock to those who were observing economic indicators. The key is to identify and pay serious attention to the relevant clues, realizing that, from a decision-making perspective, “the future is imbedded in the present” (Naisbett, 2005). Qualifying the point, Naisbett writes, ...“But be careful, the future being imbedded in the present certainly does not mean extrapolating everything into the future. It is not saying that the future will be little more than an extension of things as they are. It is saying that we find the seeds of the future on the ground and not in the width of the sky” (p. 13). Confirming the point, Drucker (1993) explains, “The important thing is to identify the ‘future that has already happened’” (p. 450).

*Methods for Identifying Trends.*

As recent history teaches us, anticipating the future is not an enterprise well suited to amateurs. Both extremes from the political left and the political right, using methods grounded in little more than exercises in the imagination, have warned us of upcoming events that never took place. From the left, Ehrlich (1968), operating from his Malthusian mental model, warned about a dangerous population explosion and predicted disaster for humanity, insisting that hundreds of millions of people would starve to death unless radical action was taken. Never mind the fact that the entire world population could be placed in the state of Texas, resulting in a population density roughly equivalent to that of the city of Chicago, Illinois. From the right, Lindsay and Carlson (1970), interpreting Biblical revelation in literalist terms, predicted an early second coming of Christ, suggesting that several climactic events would play out in the 1980s. Never mind the fact that the book of Revelation, which summarizes past, present, and future conflicts between Christians and anti-Christians, was not written to forecast specific political events or the time of their arrival.

Meanwhile, Naisbett was quietly interpreting trends as they were unfolding. Communication scholars will be pleased to learn that his methodology for diagnosing those trends was to read newspapers as a “basic source of information and geographic range” [content analysis] and establish conceptual categories for analysis [grounded theory]. As he explains, “Newspapers are our great collaborators. They are not only the first draft of history, but the first to give us a glimpse of the future, because what we are doing now will determine the future” (p. 20). As a point of interest, we can do a brief comparison/contrast analysis among all three methodologies employed in terms of their



forecasting accuracy. In every case, Ehrlich and Lindsay were wrong because they employed dubious means to speculate about future events that were not grounded in present facts. In every case, Naisbett was right because he used the diagnostic skill to identify a future that was already happening.

Any organization can employ this same technique, using the principles of diagnostic analysis and effective communication to make sound decisions about present and future problems/opportunities. However, as indicated earlier, disciplined diagnosis also requires merciless selectivity. Some things matter more than others, and, unless the organization establishes a hierarchy of opportunities and problems, that is, unless it can place them in rank order, it cannot possibly process the information in a meaningful way or provide any meaningful direction.

Even at that, however, the problem persists. What kind of knowledge and information should the organization attempt to uncover? It appears that part of the answer lies in the attempt to connect conceptual dots, or as Naisbett explains, “to make connections between things that seemingly don’t fit, are not obviously related, and sometimes seem to contradict common sense formulas” (p. 44). In that sense, each discovery breaks old mindsets. This is the way change seems to work. Discoveries come from realities already present. Still, diagnostic communication also seeks also to understand the present on its own terms, so that the organization can cope with current realities as well as future realities.

Many of these realities are indeed, paradoxical and difficult to categorize. One of the most eloquent commentators on the “knowledge era,” Handy (1994) has made it clear that the change analyst must learn to live with and embrace paradoxes [A paradox as

defined in this report refers to an apparent (not real) contradiction that, upon further reflection, can be reconciled]. Highlighting the same point with a social constructivist/evolutionary model, Mazaar (1999) captures several examples of paradoxical trends including decentralization and globalism, business fragmentation in the context of cultural tribalism, expanded individualism within stronger community, and absolutism within relativism. Perhaps the most disconcerting irony is the fact that the newspaper, Naisbett's main tool [and the organization's potential tool] for detecting future trends in present events, is, it seems, on the way out. Whatever the irony, one can only imagine the frustration of the change analyst attempting to make sense of all these events using some form of extrapolation or other means of linear analysis. The first point, then, is to be aware of the paradoxes and to avoid thinking of the external environment in terms of one single mind set.

*Distinguishing Between Problems and Opportunities.*

While the external environment can, indeed, present a complex puzzle for change analysts, the principles that inform the diagnostic strategies do not seem to change at all. Long ago, Randolph (1979) developed his related analysis technique, in which all problems are weighed in the context of potential opportunities. Among other things, he points out that opportunities, by virtue of their capacity to change the organization's needs, can render problems obsolete that had previously been defined by those needs. More recently, Naisbett (2005) has pointed out that "you don't get results by solving problems but by exploiting opportunities" (p. 77). Thus, while diagnostic communication must certainly take problems into account, it rightly places its emphasis on "possibilities."

Applying this same principle to the political realm, Karlgaard (2006), identifies Ronald Reagan and Bill Clinton as opportunity seekers by nature. Conversely, he sees Al Gore, who perceives global warming as a danger, and Hillary Clinton, who perceives health care as a crisis, as problem solvers. Interestingly, he holds that George W. Bush was an opportunity seeker who surrounded himself with problem solvers. (Perhaps if our former and current presidents had perceived the primacy of opportunities over problems, our nation [and the world] might have been spared from the current financial fiasco).

Although some opportunities can be more or less appropriate to a given organization, some apply to all organizations. Perhaps no opportunity is more reliably productive for any business or firm than the act of simply setting its own agenda and defining its own identity. A communication scholars love to point out, the organization or person who “frames the issue” in a policy debate, almost always wins the audience or, as the case may be, the vote. In like fashion, the organization that defines/redefines a need and explains its role as the solution to that need, tends to win its audience’s portion of the market share. From a multi-dimensional perspective, setting an agenda for the future is primarily a function of *rhetorical communication*, a point that will be more fully explained more fully in quadrants three and four, but it is also important to understand that diagnostic communication can, in many ways, help define that agenda by providing evidence about the organization and its external environment. In the earlier part of the 20<sup>th</sup> century, General Motors won the war with Ford by realizing, at the time, that while customers valued quality, they valued prestige more. So, they subtly framed the issue accordingly, and defined the Cadillac as the automobile which successful people are most likely to prefer. Of course, values tend to change with the times. Under the

circumstances, the organization must use diagnostic communication to uncover those values and use rhetorical communication to “frame the issue” around them, or in some cases, reframe/redefine the values themselves. (The report will elaborate on this point in the appropriate section.)

*The Interpretive Mind Set.*

Diagnostic communication, because it seeks meaningful answers to thoughtful questions, recognizes that hard data, as important as it is, does not speak for itself. To be sure, accurate facts are vital, but once they have been uncovered, they must be interpreted in the light of some theory or mental model. Otherwise, they will not provide a usable perspective for the change analyst. Questions about facts tend to generate more important questions about the meaning of those facts. On the question of ecology, for example, Naisbett writes,

Environmentalists routinely exaggerate problems so as to alarm people and get support for their agenda. He cites one example in which Norman Myers, an ecologist at Oxford University, once made a wild assertion that, because of the activities of Homo sapiens, 40,000 animal species would become extinct every year. That number has been endlessly and thoughtlessly repeated in the media. On the other hand, The World Conservation union, which maintains records of endangered species, puts the number at 2300 a year, in the context of 30,000,000 total species. Thus, Myers’ report ignores the big picture [total species] and inflates the numbers by a factor of almost 20 to 1. To diagnose current trends, then, change analysts cannot simply read other analysts reports, they must look at the numbers, weight the proportions, consider the context, and anticipate the motives and business interests of those who write those reports. (p. 29)

Quite often, it is the attitude of the analyst that determines the extent to which these proportions, contexts, and numbers will be weighed. Among the many tools available for sound diagnosis, perhaps none is more underrated than the simple and humble act of acknowledging that one doesn’t know all one needs to know. Indeed, it can

be refreshing to observe nakedly honest people [in a supportive environment] owning up to their own idiosyncrasies by asking unconventional and unexpected questions. The challenge is to apply this interpretive mind to the three environmental realities that every organization must face: Culture is changing, the rules for economics are changing, and technology is changing. Almost every organizational challenge can be interpreted within the framework of these three elements.

*Understanding the Culture.*

One can speak of culture in two ways. In the narrow sense, culture refers to a shared systems, symbols, beliefs, attitudes, values, norms, behaviors, and language patters that exist within the context of certain geographic locations. Through the study of intercultural communication, the change analyst can establish certain principles of interaction that will help guide the process of exchanging meaningful information across cultural boundaries. From an organizational perspective, these same principles can be used to facilitate dialogical communication because communication among the organization's subcultures also constitutes a kind of intercultural communication. Diagnostic communication takes these differences into account as a preparation for dialogical communication, through which change adjustment is reconciled with change creation.

In a broader sense, though, one can also consider culture from a globalist perspective, assessing trends that are common to almost all businesses and institutions. It is probably not too much to say that, as Naisbett (2005) points out, a visual culture is taking over the world and that every organization must adjust to and contend with that fact. Luntz (2008), a political commentator who makes his living with words, freely

acknowledges that “a striking visual context can overwhelm an intended word message entirely”.... “It’s not what you say; it’s what people hear...and see” (p. 2). Approaching the same theme from another vantage point, Peters (2003), explains that “Technicolor rules.” Naisbett agrees, saying, “The whole world is being colorized.” (p. 151). He continues with some irony, “It’s an MTV world where visual narrative is overwhelming literary narrative.”

Organizations (and cultures) must first recognize this change and then decide if it is a good thing or a bad thing. Should they simply adjust to this change or should they attempt to create a new reality? When the environment creates new changes, any organization that unconsciously accepts those changes without questioning the wisdom that informed them, does, by virtue of that acceptance, ratify those changes and increase their momentum, encouraging the public perception that all changes are positive, inevitable, and irresistible. But should organizations accept all changes without question or criticism? Until recently, as Naisbett (2003) acknowledges, most cultures “valued and respected poetry, picturesque language and the power of metaphor to create new worlds never seen”... “In his *Poetics*, Aristotle wrote, ‘the greatest thing of all is to be master of the metaphor’” (p. 120).

Naisbett’s point is well worth considering. Traditionally, communication was regarded as a rational enterprise, founded on the principles of right reason, such as the “law of non-contradiction” and the “law of causation.” The purpose of education was to prepare individuals to become useful, productive citizens, a goal that cannot be achieved without basic literacy and the capacity for rational discourse. Yet today, by virtue of the past creative efforts of some leading organizations, our verbal and communication skills

are in serious decline; so much so, that fewer and fewer members in the organization can compete in a market driven economy or take their place as useful, productive citizens. Perhaps no single cultural phenomenon defines the literacy crisis more than the uncritical use of the two words, “like” and “whatever,” the former reflecting attempts to communicate in the absence of a descriptive vocabulary and the latter indicating a cynical reaction to any rational argument. In his culturally defining book, McWhorter (2003) characterizes the situation with his book's title: “The Degradation of Language and Music and Why We should, like, care.” We can hardly expect this new development to play a significant role in our daily interactions without paying a heavy price.

Still, even if this trend toward anti-intellectualism and visceral stimulation constitutes a less-than-healthy communicative environment, it is, nevertheless, one in which all organizations must compete. As Naisbett writes, “imagination is outperformed by the instant picture. It is a visual culture embedded from childhood, and this culture is taking over the world--at the expense of the written word” (p. 115).

Clearly, marketing is being transformed by this new visual culture. Because competition is fierce, organizations will do almost anything to stand out from the crowd. Naisbett continues, “In a high tech world, starving of imagination, high tech product design is now as essential as the product itself.” Still, the message the visual images send, must be the right message, that is, it must harmonize with a credible theme. Steven Jobs had stated publicly that Apple's supercomputer, the G4 cube, did not sell because the design was flawed. Admitting that it was a failure of “concept,” he concludes, “We thought they would rather have something small on the desk than expendability, and we were wrong. It was a wrong concept--fabulously implemented.” (p. 126-127) [They

polished “yesterday’s apple”]. It is probably fair to say that, in most cases, image design is “necessary” but not “sufficient” for organizational survival.

Not surprisingly, the entertainment world is almost totally defined by the visual image. As MTV continues to shorten the attention span of viewers by pushing the theme of instant gratification through rapid-fire visual messages, Hollywood, as Naisbett points out, is starting to “feel the heat for failing to adapt to the demands of a visual culture.” Again, diagnostic communication detects the future imbedded in the present. In 2007, total DVD sales of \$23.7 billion dollars knocked out Hollywood’s \$9.6 billion box-office total. Is it too much to say that the people will soon stop coming to Hollywood and Hollywood will begin to come to the people? Naisbett wonders if the studios will decentralize the entertainment industry and “use satellites to project their art on the 110,000 screens on movie theatres around the world” (p. 142).

Still, the problem persists. Organizations are both receivers and senders of culture, and they cannot avoid the question of literacy or an active life of the mind indefinitely. Will they continue to ignore the problem of literacy and the attendant anti-intellectualism brought on by a radically visual culture, or will they confront it by reasserting rational standards as a means of interpreting personal experience? Increasingly, organizational leaders who have not been thinking about these and other cultural problems too numerous to be listed, will find that their capacity to make sound strategic decisions have been adversely affected by their own lack of conviction on these matters. More than ever, organizational decisions are becoming cultural decisions, and organizational leaders who have no cultural vision for the future will soon become followers of those who do.



*Understanding the Economics.*

With consistent regularity, those who study trends in the external culture inform us that “nation states” are giving way to “economic domains.” One again, an irony sets itself before us: Globalization in the context of decentralization is redefining the way organizations do business. For Mazaar (1999), the key point is the existence of the knowledge economy or what he calls a “human resources economy,” which is defined by the principle that people, not land or natural resources, are the basic source of strength and growth. For Naisbett, the decisive element is the texture of economic activity. He writes, “The true economic borders and economic figures of the global economy should be drawn around global economic activities--such as the production and distribution of automobiles, which involve virtually every country in the world--rather than around countries, each of which is involved in only pieces of global economic activities” (p. 158).

These two visions are illuminating and may or may not be compatible. On the one hand, it makes sense to describe the new economy as a cluster of economic-specific activities, as in, the automobile domain, the pharmaceutical domain, the financial services domain, the tourist domain, and so forth. Rather than support the idea of multinational corporations, this theme suggests that economic activities will begin to replace geopolitical activities. (Under the circumstances, what can one say about heads of state who attempt to politicize and nationalize business ventures in order to save economies when, in fact, countries no longer create economies? [GM workers are not currently asking about the US economy, they are asking about the automobile economy]). Also, as Naisbett (2005) points out, information about “domains” is much more available and

reliable than information about the gross national product of countries, which means that the process of diagnostic communication will be simplified and the challenge of detecting opportunities and problems relevant to the organization will be made easier. What happens in the global economy will matter less than what happens in the organization's economic domain, unless, of course, heads of state enact policies so destructive that the entire world economy collapses.

On the other hand, it also makes sense to describe the new economy as a knowledge economy or a human resource economy. As will be discussed in the next section, the human resource is the most important of all resources (assets) since it controls all the other assets. In this context, we can, considering the new economy and its attendant anti-institutional culture, anticipate the next organizational phase, which has been dubbed, the "virtual corporation." Handy (1995) describes a "future corporation that exists mostly on paper--employees who work independently and communicate by e-mail, phone, and fax, but who don't always share the same work space" (p. 22). Clearly, economic trends are moving in the direction of decentralization and independence, in spite of the fact that Barack Obama, the President of the United States, continues to advance a big government agenda. Indeed, U. S. tax dollars are now being used to "bail out" large corporations such as General Motors in order to protect them from the rigors of competition and the consequences of their own bad decisions. Meanwhile, their competitors enjoy no such advantage. How these kinds of conflicts play out in the next few years may well determine the immediate future or even the ultimate fate of free-market capitalism.

If, as it turns out, centralized planning really is on the way out, except for trend-bucking heads of state, and if the free market ethic survives, the acquisition of talent will become an increasingly important organizational strategy for coping with change. The push toward “individualism” will likely encourage organizations to search for talent wherever they can find it. One company, in order to strengthen its own competitive advantage, may search the globe and hire someone from another company on line. Under the circumstances, “outsourcing” and “networking” would take on entirely new meanings. Indeed, it would appear that networking will soon become the working definition of the organization.

Undoubtedly, all of this decentralization will challenge the traditional authority of many institutions, and some will find this new development disturbing. Every new development forces certain trade-offs and the new decentralized economy is no exception. Giddens (1990) has identified four traditional sources of authority: family, community, religion, and tradition itself, all of which are in decline. Among these, a word about the influence of family and religion seem appropriate. Concerning the former, sociologists are well aware of the sad statistics which dramatize the reality of decaying families. Children from single parent families are far more likely to experience emotional problems, poverty, or teen pregnancy than those from two parent families.

In this sense, the economic issues are inextricably tied to the cultural issues, political issues, and even religious issues. On matters of spiritual faith, Mazaar argues that the same forces that undermine the family have also launched an attack against hierarchical religions and its “dogmas.” For Mazaar, it is not religion, per se, that is under assault, but rather the institutional churches. On the other hand, the activities and public

pronouncements of the “new atheists,” such as Christopher Hitchens, Samuel Harris, and others, seem to invalidate Mazaar’s theme, reflecting an all out war on religion that takes little account of whether believers are part of an organized church or not. Still, present conditions suggest one question worth asking: Should organizations resist the economically-based trend to undermine traditional institutions that have historically provided a unifying basis for cultural diversity, or should they resign themselves to a chaotic world of diversity without unity? Once again, organizational leaders can no longer remain neutral about the intersection between their own institutions and those around them or delude themselves into believing that their organizational decisions are not also cultural decisions.

*Understanding the Technology.*

As any anthropologist will attest, technological advances always result in social change. As a general assessment, it seems fair to say that most users of technology perceive these changes as bargains and would prefer not to go back to earlier times.

Naisbett sums it up nicely:

“The discovery of fire led to warmth, better food, and the beginning of real community. The wheel, electricity, and the automobile all dramatically changed our social arrangements. The difference today is that the accelerated rate of the technological change has been so great that the social accommodation to the new technology has lagged further and further behind. The evolution of technology is now running ahead of cultural evolution, and the gap is increasing.” (p. 101)

*Technology as Connector.* As a matter of strategic necessity, businesses find that they are more effective at delivering timely products and services to the greatest number of customers when they abandon the traditional “command and control system” of communication and establish a more democratic, “networking” approach. With

increasing frequency, individuals within the organization are being empowered to establish important and long-term relationships with important contacts both inside and outside their area of specialization. Internally, this process helps to connect talent at the workplace, while allowing individuals to express their individuality and appreciate the individuality of others. If the technology is being used wisely, it helps members inside the organization find each other and acquire an appreciation of the rich variety of backgrounds, interests, and approaches to strategy that diverse opinion can bring to the table. Externally, that same technology can serve to bridge the gap between those inside the organization who cannot find subtle and difficult answers to pressing problems and those outside the organization who are capable of providing them. “She who has the biggest network wins” (Kanter, 2009, p. 166).

On the other hand, while technology can often facilitate that process, the task of gaining and maintaining relationships is a distinct social skill for which technology is no substitute. As Kanter (2009) explains,

... I find that even the most technologically-savvy leaders still rely on their own personal networks to find the best resources quickly. Personal networks of people with whom managers have met or worked are often better sources for key assignments than databases of resumes. One manager called this “the old fashioned way, the knowing people type thing: I know a person who might know a person.... Technical skills are transferable across companies, but relationships are not. Companies can train people on the technical side. Companies can provide tools, templates, and models in handy Web-based forms to use on the job. Buddy systems can pair more experienced with less experienced employees. But relationships take a different kind of effort. (p. 167)

*Technology as Equalizer.* The turbulence of the communicative environment in which organizations must make decisions also presents challenges in managing the relationships that stem from that environment. The power to define those relationships,

once held exclusively by elite business executives, has, in many respects, shifted to consumers, investors, the media, and employees. Because so many Internet-linked outlets are available, the actions of stakeholders matter as much to the organization as the organization's actions matter to the stakeholders. Argenti (2009) explains that organizations must be capable of responding quickly to messages coming from social networking sites that can cause a corporation's reputation [and stock] to rise or fall on the strength of a rumor.

In many respects, the "linear" approach to marketing, in which organizations "release" only the kind of information about products and services that enhances its image, has, in many cases, given way to a dialogue between stakeholders and the organization. In that context, organizations have begun to redefine the marketing function as a communicative function (Argenti, 2000). As players in a global market, organizations will need to become more sensitive to the relationship between intra-organizational communication and inter-organizational communication, acknowledging the relationship between effective communication policies, employee trust, and corporate social responsibility. Acting as "corporate citizens," many organizations will become much less reactive and much more proactive at managing their own reputations. "More and more, companies are making sure that their employees understand the new marketing initiatives they are communicating externally and are uniting the workforce behind common goals and corporate strategies" (Argenti, 2009, p. 42).

In keeping with that point, organizations will likely move toward establishing an intra-organizational function for every significant communicative task, including media relations, crisis management, internal communications, investor relations, and corporate

image management. The art and science of translating numbers and facts into meaning centered interpretations for all stakeholders may well become a specialty all its own.

*Technology and Values.* As indicated in this report, organizations exist as systems and as a part of a larger environment, adapting to change and, one would hope, creating change. As agents of social responsibility, today's organization can no longer afford the luxury of being an innocent bystander or a passive recipient to any and all changes that science can conceive. There is a difference between morally neutral technologies such as the internet or cell phones, which can be used either for good or bad purposes, and life-science technologies, which can easily become inherently problematic. The science of connecting people is not morally equivalent to the science of manipulating genes, artificially creating life, or destroying life for the purpose of enhancing life. For those who believe that life begins at conception, for example, using embryonic stem cells constitutes experimenting on live human beings. In that context, it should be noted that, on the medical front, adult stem cells have helped heal thousands while embryonic stem cells have produced no health benefits whatsoever.

Even those who are not squeamish about using embryonic stem cells for therapeutic reasons may pause at the prospect of creating new life forms by altering their genetic blueprint. What attributes should be erased from the cell line? Who should make that decision, and on what basis? Mazzar (1999) probes more deeply by asking, "What legal standard would both prevent the modification of fetuses and allow (as is now generally the case) their destruction in the form of abortion" (p. 77). Making a similar point, Benford (1995) writes, "Good looking people do well. What parent could resist the argument that [through genetic engineering] they were giving their child a powerful leg

up (maybe literally) in a brave new competitive world” (p. 78). Now that science can control the natural environment as never before, the organization’s capacity [and willingness] to make reasonable moral choices about its actions, and the actions of other organizations, will be severely tested in the very near future.

*Technology in the Broader Context.* Of course, not all current problems are life and death issues, and not every technical challenge is a moral challenge. Still, the organization of the future will certainly have to address the problem of personal detachment and alienation, especially in terms of the relationship between people and machines. Change analysts often speak of “socio-technical systems,” as a solution to the problem of dehumanized relationships in the organization. At this point, though, more needs to be said about the problem of depersonalized customer relations. A smiley faced icon cannot replace a smile any more than an e-mail subject title can replace a warm greeting. Diagnostic communication should prompt organizations to detect and address the problem of depersonalized, machine-like communication. All too often, detached merchants rely on mass marketing to compensate for poor customer service, when, in some cases, they do not even realize that the service was poor. Is there anyone who has not taken an oath never again to do business with some offending company only to receive a follow-up offer to purchase its newest product at a discount?

While information technology can process routine transactions amazingly well, it often fails to bridge the gap between an organization’s official policy and its customer’s unofficial needs. Again, who has not placed a desperate phone call to an ostensibly responsible ombudsman only to hear that dreaded message, “Your call is important to us, [so important that you rate only a computer response] please hold for the next



representative who will take your [commonplace] call in the order it was received.”

Predictably, the message is made more irksome by an insufferably cheery voice that takes no account of the anger that prompted the call and sends the caller to a new location, which, in turn sends her to several new locations in succession, resolving finally into a message indicating that the person she really needs to speak with is on vacation. In a final attempt to resolve the issue, she experiences a miracle and contacts a flesh and blood human being who knows everything about a company policy, which, as it turns out, forbids this person from helping her, and who also knows nothing about the identity of the person who established the policy or why. In all too many cases, organizations have stocked their inventory full of technical experts, who have not been trained in the arts, who seem to know little if anything about human motives and behaviors, and, in some cases, can scarcely speak the language of those they are trying to serve.

Naisbett has become very impatient with this trend, pointing out that the real purpose of education is learning how to learn, insisting that our culture should, in addition to nourishing intellectual skills, support and feed emotional and spiritual talent. Indeed, he recommends a computer and a poet for every classroom. Even at that, he seems to have understated the case. What is at stake is nothing less than the kind of mind set that will displace and redefine what it means to contribute to society, both professionally and personally. Perhaps no one is more qualified to comment on future cultural needs than Pink (2005). Those interested in the liberal arts, especially those who choose to master the discipline of communication, should pay very close attention to his words:

The last few decades have belonged to a certain kind of person with a certain kind of mind--computer programmers who could crank code,

lawyers who could craft contracts, MBAs who could crunch numbers. But the keys to the kingdom are changing hands. The future belongs to a very different kind of person with a very different kind of mind--creators and empathizers, pattern recognizers and meaning makers. These people, artists, inventors, designers, storytellers, caregivers, consolers, big picture thinkers--will reap society's richest rewards and share its greatest joys. (p. 1)

Even here, however, the analyst must exercise the same due caution and ask the relevant question: Is Naisbett correct to say that the faculty of imagination is on the way to being outperformed by the instant picture, or is it the case, as Pink has indicated with his cutting edge analysis, that leaders who can imagine will become more valuable than those who process information. Perhaps they are both right in the sense that as culture becomes increasingly less literate and more attuned to visual stimulation, those few who can resist the trend, think clearly, and imagine boldly will set themselves apart and assume leadership positions. In either case it appears that the technical "nerds" who were once, in, are now on the way out, and the bold, big-picture thinkers, who were once shunted off to the side, will soon be in. One thing seems certain, though, and on this all analysts agree--design is big; design rules; design will continue to rule. Design, as an image for attraction, and as a powerful tool for communicative leadership, stands like a giant colossus in the middle of that which is but will soon be less--information, and that which will soon be more--imagination.

### *Quadrant 2: Organization Responds to Change*

Although diagnostic communication interprets the significance of problems and opportunities outside the organization, it must, in order to reflect how well its members are equipped to respond to those challenges, also analyze the corresponding strengths and weaknesses inside in the organization. In the first instance, this study outlined some of

the means for assessing environmental changes, including such methodologies as analyzing newspaper content, establishing categories, detecting the future in present events, weighing opportunities more heavily than problems, framing the issue, measuring indicators, and pushing against the conventional envelope. The discussion then turned to three of the most important elements in the environment on which these techniques may be employed: Cultural trends, economic realities, and technological challenges.

In meeting the challenge [Q2], as in the case of understanding the challenge [Q1], the methods and the subjects to be studied by those methods still matter, but the substance of the analysis becomes more difficult and subtle. For that reason, the methodological approaches and topic content will be discussed, not one followed by the other, as before, but each in the context of the other, and, it should be added, in the larger context of several communication meta-theories. Even at that, a brief summary of traditional approaches to organizational strategy should be helpful.

#### *Management by Objectives.*

Historically, “management by objectives,” [MBO], because of its simple “linear” approach to forecasting, has enjoyed a prominent place in the genre of organizational strategy. In its first installment, MBO constituted little more than a centralized planning scheme consisting of a one-way, top-down approach to communication, instructing all members of the organization what to do, how to do it, and when to do it. Later on, MBO-type executives began to encourage participative goal setting, providing a way for organizational members to become involved in the planning process (Drucker, 1954). Under this new and improved MBO system, the organization’s employees absorbed a “master plan” conceived by the CEO, who also established compatible departmental

goals and chose the means by which they were to be implemented. The idea was to empower employees who knew their roles and were capable of comparing the quality of their performance against organizational standards, which, ideally, were specific, measurable, achievable, and time sensitive.

Even in the context of its new and improved formulation, several change analysts, most notably Randolph (1979), found serious difficulties with the MBO approach, the most questionable of which was its tendency to legitimize unrealistic and unsound goals. This technique, known as forecasting by “extrapolation,” often calculated through the process of “weighted averaging,” encouraged the practice of managing “momentum,” defined as calculating future possibilities based on past performance. By contrast, Randolph encouraged the practice of managing “potential,” defined as calculating future possibilities based on what employees could achieve if their talents were utilized to the maximum. Further, MBO did not place problems and opportunities in rank order of importance, meaning that no attempt was made to diagnose the 20% of events that were responsible for 80% of the organizations successes (Pareto’s 80/20 principle). Under the circumstances, all elements of the strategic plan were deemed equally important, which was just another way of saying that no elements were important.

Equally problematic, it was evident that MBO used a closed loop planning system such that there was no mechanism to account for or respond to the impact of future events that had not been taken into account at the time the organization established its objectives. In effect, any serious change in the external environment could trivialize the plan, disrupt its application, or invalidate it completely. Finally, MBO encouraged organizations to place emphasis on the “bottom line,” focusing almost exclusively on

year-end profits and measuring success on those terms alone. In many cases, this short-sighted approach, reflecting an almost reckless disregard for long-term profitability, stemmed from ignorance about the true nature of corporate growth, especially the growth that occurs slowly but steadily from wise investments in resources. In other cases, it reflected a lack of faith in stockholders and their willingness to invest in long-term strategies that did not yield immediate benefits.

*Asking the Right Questions.*

Gradually, through the application of the 80/20 rule, [see Koch, (1998)], a minority of organizational leaders managed to transcend the MBO formula, having become cognizant of the fact that 70% of the successful implementation of a formal plan is determined by the initial strategy employed. In that spirit, Einstein once remarked that if he had one hour to save the world, he would spend 55 minutes defining the problem and 5 minutes finding the solution. As a matter of strategic philosophy, it became evident that managers should not begin the planning process by setting goals, as with MBO, but rather by asking the right questions in the right order, which, if undertaken in earnest, would identify the organization's most significant opportunities, [in rank order of importance] detect its significant strengths and weaknesses, [again, in rank order of importance], weigh possible alternatives [in order of their practical potential], and project a best guess scenario of future events. Only then, would the organization set objectives, and, even at that, on condition that the plan containing those objectives employed an open loop feedback mechanism [similar to the cybernetic models found in information theory] for detecting, in real time, incoming information at variance with the assumptions that

had informed those objectives. With this approach, the organization could, when necessary, change course and take new action without abandoning the plan.

The principle is applicable now more than ever. Put simply, if the organization is to establish meaningful direction, it must, through a disciplined process of diagnostic communication, and, in the order specified, define “why it is” [reason for being] “what it is,” [purpose or mission], “where it is” [relative strengths and weakness], “where it could go potentially,” [forecasting based on talent and resources], and, finally, “where it is going to go,” [goals, or time-bound objectives that determine who does what by when]. Unless the change analyst asks the right questions in the right order, it is impossible to set sound objectives. The point can easily be made clear. If a traveler decides to visit the city of San Francisco, he must first know the location of the starting point, measure the distance between the starting point and the destination, and make the necessary provisions. It would be nonsense to arbitrarily decide to make the journey in one hour, use a given highway that may not be open, or to anticipate using specified quantity of fuel without taking into account all the preliminary information.

So it is with the organization. Ideally, the change analyst, prior to establishing any semblance of an objective or goal, will ask the right questions in the right order and listen carefully to the answers. In most cases, those questions would take on a texture and sequence something like the following: Why is the organization in business. How does it define its purpose or mission? Is the organization’s mission negotiable? Which objectives currently under consideration best harmonize with that purpose and how should they be ranked in order of their practical potential? What is the organization’s best guess about an uncertain future? Diagnostic communication recognizes the fact that the most important

preliminary questions are also the ones most likely not to be asked (Drucker, 2005). In this context, the organization's strategic plan consists of nothing more than asking questions, stating assumptions, setting objectives, taking actions, evaluating feedback, changing direction when needed, fine-tuning the assumptions, setting new objectives, and so on.

As a means of coping with change, there is probably no better use of the organization's technology than to provide an open-loop feedback system which identifies new events and facts that will challenge the validity unwarranted assumptions found in the strategic plan. Further, that same technology can provide this information to all the organization's members, record their reaction to it, and store it as reference knowledge. The purpose of technology, after all, is not to be current, but to provide current knowledge and information relevant to the organization's mission and objectives. Thus, when the open-loop feedback system, aided by technology, presents new information, the organization must continue to ask all the relevant questions and fine-tune strategy on a regular basis. If, during this process, a selected few problems or opportunities keep appearing [A] from one stage of the inquiry to the next, [B] across disciplinary boundaries, and [C] at all levels of authority, it can be safely assumed that those answers or comments qualify as the vital few issues that should rank as the organization's top strategic priorities.

*Managing Causes Rather Than Effects.*

Another important aspect of diagnostic communication, a corollary derived from the 80/20 rule, consists in the critical task of managing causes rather than effects (Randolph, 1983). Thus, when one places problems and opportunities in rank order, one

has, by definition, begun to place higher emphasis on “effectiveness,” [doing the right things] over “efficiency” [doing things right]. From an external perspective, that often means investing effort and resources in the 20% of customers that provide 80% of the profit and disinvesting in the 80% of customers that provide only 20% of the profit potential. The high volume 20% is, in many respects, the main *cause* of the success. From an internal perspective, it means valuing the human resource as the one resource that controls all the other resources, or to further clarify the matter, the resource that *causes* those other resources to be well used or badly used.

Extending that principle, the change analyst comes to understand that the human resource causes the recruitment and successful management of talent, which, in part, causes sound financial practice and good customer service, which, in turn, contributes to long term profitability, shareholder value, and a profitable bottom line. Thus, to manage causes rather than effects means to move as far back in the causal chain as possible and invest in the first-cause resource, the human resource.

At variance with this point of view, Jensen (2000) insists that shareholder value should be the sole objective of any organization because CEOs set goals based on expectations of financial markets. There are three problems with this philosophy. First, no one knows what the financial markets are going to do, which means that decision making is based largely on guesswork and speculation. Second, planning based on “momentum” [mathematical analysis measuring past performance rather than diagnostic analysis assessing current possibilities] does not sufficiently take into account the organizations “potential” for growth, which depends less on environmental factors and more on internal development. Third, there is really no dependable way to measure



growth using this approach, since growth on paper can be misleading. A company can temporarily increase its worth by simply selling assets and disappearing up its own balance sheet. Finally, and most important of all, shareholder value is an effect, not a cause.

Some would likely object to the more general notion that anything at all, people included, could be a primary cause on the grounds that any cause/effect analysis smacks of “linear thinking.” Ulrich, for example, (2002) holds that organizational leaders get results by focusing on “organizational results,” “employee results,” “investor results,” and “customer results” (p. 31), attributing equal importance to all four elements. Using this formula, the analyst could easily argue that the investment in human capital is as much an effect as it is a cause, inasmuch as it is made possible by the profits associated with increased shareholder value and the fact that a successful organization attracts the best people. Also, social constructivists might argue that employee development and customer relations are mutually causative or “reflexive,” meaning that each causes the other, while system theorists would insist that all four elements are all part of a larger macro system in which each reinforces the other with no one element acting as the cause for any of the others. To be sure, it is important to reflect on all these models and appreciate the extent to which they often add a measure of insight to the problem. Almost all effects are the result of a multiplicity of causes.

Still, the fact remains that, more often than not, a vital few causes are more important than all the others, reflecting a disproportion as high as 99 to 1 or as low as 65 to 35 (Koch, 1998). In most cases, the proportions average a ratio of about 80 to 20 where economic matters are at stake. For the organization, the twenty percent of causes

responsible for its success consists of the organization's leaders, their capacity to communicate effectively and their skill at making sound decisions. If a competitive organization loses its assets, its customers, or its equity, it will certainly face a severe crisis, but if it loses enough of its best people, it is out of business.

On these terms, it is obvious that MBO, mistakenly tries to control the "bottom line," as if it was a cause, even though it is, from a strategic point of view, an effect. Yet, this is the focal point of MBO, to emphasize the short-term effects in the form of profit, which is only a scorecard, at the expense of the causes of profit, which are the only things that can truly be managed. On the contrary, effective diagnostic communication reflects the principle that prior causes matter more than secondary causes and first causes matter most of all. Increased shareholder value and profitability follow from excellent customer service and effective marketing, which in turn, follow from the successful management and recruitment of talent. Turner and Crawford (1998) studied 243 cases of organizational change and showed that investment in corporate capabilities makes a major difference to an organization's long term success. Confirming those results from the negative vantage point, Collins and Porras (1994) demonstrated that those who liquidate their human capital experience a performance decline.

Legend has it that a man was once unsuccessfully trying to chop down a tree with a dull axe. A critic stopped him and commented, "My friend, you need to stop swinging the axe and take time out to sharpen it." The man responded, "I don't have time, I am already too far behind." Just as individuals must sharpen their axes to succeed at the personal level, organizations must also sharpen their axes to survive and achieve long term growth. How does the individual sharpen his axe? He invests his time, money, and

effort at self improvement so that he can be the architect of his own self-development and, as it were, act as the *cause* of his success. To the extent that he can diagnose the 20% of the causes that determine 80% of his future success, he will, indeed, have identified the causes for his success. That is what it means to invest 70% of ones time defining the problem [or opportunity] in advance of looking for a solution. As a rule, the vital few causes responsible for personal success consist of choosing a field that matches his talents and acquiring the capabilities and credentials that will lead to a positive outcome. What the individual should most definitely not do, reminiscent of MBO, is to try climbing the ladder of success with “his ladder leaning against the wrong wall.” (Covey, 1990). Just as the individual prepares to perform in the arena of commerce by knowing and implementing sound communication and business principles, the organization must prepare to cope with change by learning how to diagnose opportunities and stimulate innovation. Like individuals, organizations need to sharpen their axes, and those axes can only be sharpened by focusing on causes.

*Planned Change vs. Emergent Change.*

Until now, this report has been has been describing the diagnostic process in Quadrant 2 as a way of thinking that moves from concept to reality. Under those circumstances, the organization’s defines its general purpose or reason for being in terms of a pre-established destination arrived at by conceiving a formal plan, executing the plan, comparing performance against plan [via a closed-loop feedback system], and meeting a time-bound objective. Under ideal circumstances, the organization’s mission or purpose, insofar as it is understood, functions as a central unifying principle with which

leaders and employees can identify and exists as the starting point for any further analysis.

A number of scholars see things differently. Orlikowski (1996), for example, argues that a strategy of “emergent change,” characterized as “the realization of a new pattern of organizing in the absence of explicit a priori intentions,” should often be preferred over the planned change approach. By “a priori intentions,” Orlikowski is referring to the pre-established destination toward which the planner intends to move. Clarifying the matter further, she goes on to describe a number of successful change initiatives situations in which there was no deliberate “orchestration of change.” As people experiment with “the everyday contingencies, breakdowns, exceptions, opportunities, and unintended consequences” of work, they improvise, produce ongoing variations, and enact micro-level changes.

Making basically the same point, Weick (2000), argues that “The wise leader sees emergent change where others see only inertia, while at the same time, arguing “advantages of emergent change include its capacity to “increase readiness for and receptiveness to planned change” (p. 206). In this context, Weick (as cited in Orlikowski, 1996), has also proposed the “metaphor of theatrical improvisation,” where organizational design,

...tends to be emergent and visible only after the fact. Thus, the design is a piece of history, not a piece of architecture...Design viewed from the perspective of innovation, is more emergent, more continuous, more filled with surprise, more difficult to control, more tied to the content of action, and more affected by what people pay attention to than are the designs inspired by architecture. (p. 66)

This statement, though admirably descriptive, does not reflect the fact that design is not wholly an emergent property, as will become evident in the discussion on creativity

and innovation. Granted, emergent change does occur on a regular basis, and there can be no doubt that incremental micro changes can provide informational feedback that often lead to positive and unplanned results on a larger scale. Thus, Weick's warning about consulting gurus who "sweep in with their promises of magical transformation through programs invented elsewhere," is consistent with the theme of this report. On the other hand, Orlikowski and Weick, by challenging the wisdom of "apriori intent," suggest that informational feedback from micro changes, can, without the assistance of a formal planning process--or without any "apriori intent, provide some semblance of organizational direction. To be sure, creativity, one important element in establishing direction, cannot be made to happen; it must be allowed to happen. In that sense, we can agree with the need for an emergent change strategy insofar as it is recognized as a path to creativity and innovation. Yet neither Orlikowski nor Weick seem to be making that distinction. On the contrary, both appear to be arguing that organizational direction can be established through the process of responding to informational feedback, reminiscent of an aircraft pilot using his control panel as a source for choosing a destination.

Again, the purpose of diagnostic communication is to set direction based on a pre-established destination for the purpose of adjusting to change. Organizations invest their assets and scarce resources in projects they hope will produce favorable change outcomes. In some cases, "apriori intent" literally defines the substance of the hoped-for change. For an organization that recognizes the need to recruit new talent, for example, the path would seem clear. If the proposed objective is a sound one, and if it reinforces the organization's mission, it makes sense to set a goal, take action, analyze feedback through a cybernetic model, and, when necessary, change strategy without abandoning

the goal. In this sense, the feedback loop used in the formal planning model should allow for the same kinds of spontaneous and unplanned changes as the emergent model, with the added bonus that the organization actually knows where it is going. It should not be forgotten that the strategy supports the objective, which, in turn, supports a non-negotiable mission?

On the other hand, if the organization's mission is negotiable, that is, if its sole aim is to accommodate the ever changing demands of market forces even if that accommodation compromises its original reason for being, then, if those forces demand it, the organization may well abandon its mission. Such circumstances, do, indeed, call for an emergent change strategy since the organization has no "end in mind" except to survive. In those situations, strategic direction is determined solely by market trends/opportunities and the organization's core competencies, and it is informed by the philosophy that a purpose-driven organization can miss opportunities. "Apple computer would not have gone into the music business if their leadership had thought, 'We make computers.' Direction must be one that uses competencies or you will spend forever finding new resources" (Merrill, 2008, p. 155). Under those circumstances, Orlinkowski's and Weick's notion of emergent change would make good sense, and that may well be something like what they had in mind. Still, in the context of the big picture, this would not seem to be a good change strategy for a purpose-driven organization. At what level should the organization allow emergent change to transform it into something it is not, or at least, something it did not mean to be? If the organization knows what it is, where it is, and where it wants to go, planned change is the only decision making strategy that can make that happen. The so-called "inflexibility problem," does not originate from

the practice of formal or purposeful planning. On the contrary, it is a result of an outdated notion that planned change must always come from the top down.

*Top-down Direction vs. Bottom-up Direction.*

Formal planning, then, can provide direction for the organization, but it should not be allowed to interfere with the intuitive spark that generates new ideas, nor should it try to look very far into the future. Clearly, the present change dynamic has rendered obsolete the prized art and science of long term planning. As indicated earlier, organizational leaders should recognize and even encourage the tension between responding to change, creating change, and managing the conflict which is bound to follow. Still, one question remains: Should this planned change manifest itself as a top-down or a bottom-up phenomenon? Most who argue on behalf of planned change appear to conceive it as a top-down process, insisting that positions of high authority possess privileged information, while most who argue for emergent change see it as coming from the bottom up, claiming that those on the front lines are privy to all the important details.

Arguing for the top-down position, Conger (2000) insists that the very nature of organizational change requires a perspective that sub-units inside the organization cannot appreciate. Just as “generals who sit atop the hills” possess a “broad strategic view of how the battle is unfolding,” senior corporate leaders, “by the nature of their positions, possess a vantage point that oversees a fuller battlefield” (p. 104). Only they can rally the troops, who, themselves need to believe that someone is leading them. Bennis (2000), on the other hand, opposes this myth of the heroic leader. Because organizations are so complex, so technologically sophisticated, and so knowledge intensive, it is, for him, an act of hubris to imagine that one person or a small group of leaders can possess the

knowledge and wisdom needed to cope with all the challenges associated with organizational change.

In one respect, both sides have a point. Both leaders and front line employees do possess privileged information that cannot be acquired elsewhere. On the other hand, every member of the organization enjoys privileged information in some context, and, in many cases, the quality of that knowledge depends not on the assigned role, but rather on the professionalism of the person who assumes that role. Arguing on behalf of a compromise, Dunphy (2000) holds that some situations call for the top-down approach while others require bottom-up initiatives. While reasonable, his interpretation does not seem to do full justice to the fact that both sources of knowledge are always available, meaning that privileged information from every discipline and every level of authority can, though the use of technology, be made available to inform organizational strategy. When organizational members systematically ask the right questions in the right order, the vital few answers begin to manifest themselves and the relevant importance of perceived problems and opportunities become evident. By category, those answers, when measured in terms of their frequency, distribute themselves as normal bell-shaped curve. Those which appear most often reflect the organization's appropriate strategic priorities. Within this framework, any employee who is informed enough to ask those questions, attentive enough to listen to the answers, and industrious enough to recommend options for strategic change, is qualified to help lead that change.

*System Theory and the Problem of "Linear Vectors."*

Formal planning, insofar as it moves forward with an end in mind, can provide meaningful direction for an organization, diagnosing the organizations capacities to cope



with change and establishing meaningful priorities in rank order. It is the ranking itself that should, for the most part, determine the allocation of scarce resources. Ideally, all of the organization's sub-units will direct their own activities to that same end, conceiving their own goals in complementary fashion. Unfortunately, these unit goals, even if they support the organization's strategy, may not cohere with those of other units. Bound by unique time constraints and specialized problems, diverse unit goals, even if aligned to organizational goals, may not be fully compatible with each other.

If employees are motivated to achieve departmental goals, they may feel a sense of urgency to "get the job done" as if their departmental mission was the only mission that mattered. Unaware of the ways in which their activities will impact other unit goals, or the ways in which other unit goals will impact their own, they may well ignore the fact that their activities do not occur in a vacuum. Indeed, these individualized goals, insofar as they fail to harmonize with other subunit goals, constitute what I characterize as "linear vectors," meaning that each planned outcome tends to create a forward-like momentum that prefers not to be interrupted by, or even informed about, the momentum of other linear vectors, [other unit sub goals]. Rather than moving forward in tandem, and in concert with the organization's mission, they can, if not coordinated, literally move toward each other on an unavoidable collision course.

One of the easiest ways for leaders and managers to avoid the problem of linear vectors is to think of the organization as a "system," or a product of the forces or interactions among the parts. Littlejohn (2003), points out that a system is more than the sum of its parts. "Any part of a system, therefore, is always constrained by its dependence on other object parts, and this pattern of independence organizes the system itself."

Indeed, interdependence is the most important characteristic of systems. Littlejohn continues,

The interdependence among the variables of the system can be expressed as a series of associations or *correlations*. In a correlation, two or more variables change together. In a family, for example, anger and yelling might be correlated. Some correlations are very strong and others quite weak. In a complex system, many variables interrelate with one another in a web of influences that vary in strength. For example, anger, loudness, frustration, withdrawal, and remorse might be tied together in a family. (p. 38)

In many respects, the hopes and aspirations of individuals in a family are analogous to the goals of subunits in an organization. Just as, in a family, one variable sometimes causes changes in another, activity from one subgroup in the organization may cause changes in another subgroup. To be aware of these associations, correlations, and variables is to become sensitized to the problem of linear vectors. Organizational leaders and members should understand the importance of weighing the benefits associated with establishing meaningful direction, an important and vital function, against the risks associated with uncoordinated goal setting, a potential hazard for goal-oriented sub-units. To be sure, departmental goals make sense, but only as a part of a coordinated system of subsidiary objectives subordinated to the organization's mission.

*Organizational Change, Sensemaking, and Re-inventing the Wheel.*

When organizations adjust to the objective reality of environmental changes, they often create certain subjective realities of their own. In Quadrant 1, the report alluded to the diagnostic skill of “grounded theory,” or the process of unifying chaotic facts by placing them in conceptual categories. In similar fashion, the process of “sensemaking,” an important element of social construction theory, translates the chaotic elements of

change into conceptual categories as preparation for functional action. As Weick, Sutcliffe, and Obsdfeld (2005) express it, “sensemaking involves the ongoing retrospective development of plausible images that rationalize what people are doing” (p. 409). The function of this rationalization, it should be added, is not simply one of unifying organizational members around a common belief but rather to prepare it for some kind of meaningful activity.

If this analysis is correct, that is, if “circumstances are turned into words,” one salient fact has been left out of this analysis and needs to be recognized: Only when the number of words is whittled down to a sufficiently small number to “make sense” can action can be taken. Thus, all significant threats identified through this inductive process will finally be expressed in language such as, “we have nothing to lose, so let’s go for it,” or “this is an unmitigated disaster,” so let’s cut our losses, or, “we will just have to make the best of the situation, so let’s start slow and see what happens.” Yet, formulations of this kind have already been conceived, contemplated, and acted upon multiple times by other organizations, which means that the analysts alluded to above, are asking us to reinvent the wheel and develop these common formulations anew. On the other hand, all circumstances can, with some reflection, be summarized as a series of pre-established categories, such as problems, threats, opportunities, strengths and weaknesses. Why then, should organizations labor through the same interpretive process time after time in order to generate these same categories? Does it not make more sense to assume them as the starting point and ask reasonable questions in that context?

Rather than engage in an extended discussion and debate, which will lead to the conclusion that the organization does, indeed have a problem or an opportunity, why not,

as suggested earlier, simply begin the dialogue with questions such as these: What are our three most important problems in rank order of importance and what actions can we take to address them? What are our three most important opportunities listed in rank order of importance and what actions can we take to exploit them? What are our most important strengths and weakness with respect to these challenges? Since, in the final analysis, all points of discussion will be reduced to these categories, or something like them, and will be considered in terms of their relative importance, why not simply define “sensemaking” in terms of those categories and priorities? Returning to an earlier point, it makes perfect “sense” to say that “sensemaking” should, above all things, convey a sense of *shared priorities*--a sense of coming to agreement about which changes matter most, which resources are most valuable, and which courses of action are the most desirable. Why reinvent the wheel?

*Social Construction Theory and the Problem of Perception.*

As a prelude to effective functional action, the organization must contend not only with the *reality* of rapidly changing events, externally and internally, but also with its *perceptions* about the meaning of those events. It is very easy, and very wrong, to emphasize one at the total exclusion of the other, implying, at one extreme, that real events outside the organization are little more than “reified” mental constructs, or, at the other extreme, that elements of perception inside the organization or the ways that members interpret challenges and frame the issues around them, are nothing more than cultural curiosities. As organizations communicate, develop strategies, and make decisions about change, their accumulated inventory of symbols, beliefs, and language

patterns shape decisions in subtle and undetected ways not always appreciated. Indeed, the organization's perception of its identity influences its perception of its influence:

It is primarily in domains where an organization believes it exerts influence, that the organization attributes change to its own influence, and in domains where an organization believes itself to be impotent, it tends to ignore influence opportunities and never to discover whether its influence is real. (Starbuck, 1976, p. 1081)

Clearly, what an organization believes about itself and its environment influences its internal capacity to respond to that environment. Commenting on the role that small groups play in affecting societal change, Parrish-Sprowl (2003) writes, "The perspective we take frames our sense of how things work and what constitutes meaningful and effective action" (p. 304). In fact, the organization's leaders and members should not only identify its beliefs and assumptions, it should make it a daily practice to challenge them. More important still, the organization's members should reveal their personal assumptions to each other about any area of concern, explaining the how and why of their assessments-- always ready to answer the question, "Why do you think what you think?" One wonders why technology has not been put to better use in facilitating this kind of organizational communication. As Randolph (1983) suggests, misunderstandings about assumptions lead to numerous and unnecessary quarrels over fundamental issues mistakenly believed to have already been settled.

At the same time, dialogue need not be restricted to a chronological analysis of events or logical priorities. As most communication theorists know, Weick (1995) is famous for posing the question, "How do I know what I think until I hear what I say?" At first glance, this formulation seems to play havoc with the idea of time flow, inviting the

critic to dismiss it as backward thinking, as if effects preceded causes, or as if hypotheses followed conclusions. On the other hand, a closer analysis reveals a perspective that can, if understood in context, illuminate organizational policies and events in ways unlikely to be achieved using traditional approaches. As described in an earlier example, well managed organizations establish organizational priorities and judiciously allocate resources in ways that reflect those priorities. On the other hand, approaching these same events from Weick's perspective, one might ask, "How do we know what our priorities are until we see how we allocate our resources." From any vantage point one can think of, this is a perfectly reasonable question, albeit a counter intuitive question.

Though Weick's subjectivism seems to devalue a systematic search for causes, it does, nevertheless, offer the following lessons: [A] Challenging one's own assumptions and those of others, constitutes an important element of diagnostic communication, and [B] Perceptions matter, and are often revealed through actions. Employees' perceptions about technology, for example, affect the ways in which they will use it or not use it. Why do some organizations develop people-friendly, "socio-technical," information systems to design or redesign the organization and its operations and to enhance its research and development component? Is it not important that organizational members should regard information technology as their servant and not as their master?

Why, again, have so many organizations embraced the participative ethic inherent in the field of "organizational development?" Is it not because change analysts are coming to understand that culture, the organization's "software," matters as much or more than structure, the organization's "hardware," [as characterized by Beer and Nohria (2000)] and that beliefs, symbols, attitudes, and language patterns determine, in large

measure, the response to real change events. Is it not also the case that the organization can, by observing its own actions and pronouncements, learn which goals, policies, and priorities it truly embraces as opposed to those that it professes to embrace and does not, asking, as it were, “How do we know what we really think about our own mission statement until we see how we communicate about it and until we analyze the decisions that are ostensibly informed by it?”

### *Quadrant 3: Organization Initiates New Changes*

As this study now begins to focus on the study of creativity, it moves from the dimension of change adjustment to the dimension of change creation, prompting the change analyst to focus less on a diagnostic communication strategy and more on a rhetorical communication strategy. As indicated earlier, it must be emphasized that these boundaries do overlap to some extent and each should always be considered in the context of the other. To diagnose an important opportunity or problem in the external environment, for example, is to go a long way toward providing the raw materials for creating a new idea which may eventually qualify as one of the vital few that eventually finds its way to an audience or to the market.

Still, the subject of creativity can and should be studied as an independent function, both as a way of conceiving new changes, unrelated to the status quo, and, as a prelude to innovation. While sensemaking is basically a narrowing exercise, creativity is an expansion enterprise. For better or worse, most people think and work along the lines of a single frame of reference (Koestler, 1964). Creativity occurs when people are able to connect two or more frames of reference in ways that result in creating something new, usually in the context of cross specialization, or as it is often characterized, at the

intersection of disciplines. The difference between creativity as creative adjustment and creativity as novelty depends on whether the idea comes from the outside or from the inside of the organization.

As is the case with most subjects, experts disagree both on the definition of creativity and the optimum conditions under which it is likely to flourish. One problem that surfaced early in this report was the fact that, while scholars often distinguish between creativity and innovation, organizational leaders tend to use the word “innovation” in both contexts, a mild inconvenience that should pose no serious problems for this study. Since Quadrant 3 emphasizes creativity, any such quote that alludes to innovation in that context can be safely reinterpreted as a comment about creativity, according to the working definition. Happily, the context will make the point evident in each case, so the descriptive terms employed should not interfere with the analysis and discussion of the creative process.

As pointed out in Section I, testimonies from several analysts have confirmed the fact that language plays a significant role in stimulating the creative process, which includes the use of thinking about or visualizing the use of a product, applying action verbs, appealing to colorful metaphors, and striving to convey a “sense of experience.” The simple act of shifting from static language to action oriented language can create a radical change in the ways that organizations approach the problem of creativity. While those principles still apply, the discussion now expands to include elements of creativity that provide the context in which language is used. The present task is to study creativity from a much broader perspective, analyzing the ways that world views inform attitudes about creativity and providing a comparative analysis of those world views in an attempt



to illuminate those conditions that are most likely to cause, or as some would say, “allow” creativity to occur.

*Approaches to Creativity.*

At this point, a critical distinction will help the analyst to sort out some of the more difficult elements that make up this function that we call “creativity.” On the one hand, an organization can practice “incrementalism,” the sub-cultural norm of doing the same thing with new and imaginative twists, in which case the emphasis is on fine-tuning, perfecting, and streamlining a given product or service. On the other hand, the organization can embrace creativity, the radical habit of doing something radically different and eerily unfamiliar, in which case the emphasis is on trailblazing, risking, failing, or, as someone once put it, “boldly going where no one has ever gone before.” Allowing no room for misinterpretation, NegroPonte (as cited in Peters, 1997) writes, “incrementalism is innovation’s worst enemy” (p. 26). In that sense, the point of the present theme is emphasized: It is one thing to adjust creatively to the status quo, but it is quite another thing to create a new status quo and face all the uncertainties associated with it. One can only admire the way Kelly (1997) frames the issue: “Wealth in the new regime flows directly from innovation, not optimization; that is, wealth is not gained by perfecting the known, but by imperfectly seizing the unknown” (p. 140). His point, of course, is to remind organizational leaders that the mind set, or mental model that says, “let us strive for constant and never ending improvement” is radically different from the one that says, “let us reinvent.” Little (1998), successful head of a leading architectural firm, describes his job title as “Master of Madness.” He writes, “You have to get

comfortable with being stupid, silly, crazy--every day. Insanity's the best path to creativity that I know of." (p. 64).

In this context, rhetorical communication begins not with the act of selling an idea but rather with the task of conceiving it. As popular communicators love to tell us, "words mean things," and how the organization uses words can, as has already been made clear, shape its creative/innovative mindset. Home Depot's Richard Sullivan, (as cited in Peters, 1997), bids us to "Think revolution, not evolution" (p. 31). It is here that the analyst can begin to appreciate the contrast between Weick's notion of "emergent change," and Schumpeter's (1950) notion about "creative destruction." Creative destruction occurs when something new kills something older, as was the case when Microsoft and Intel "killed" other computer manufactures.

Still, the challenge of using language to frame mental models does not stop with the task of choosing the right words or phrases. To be sure, organizational culture is about language patterns, beliefs, and norms, but it is also, or, at least it should be, about forgetting language patterns, forgetting beliefs, and forgetting norms. Dee Hock, (as cited in Peters, 1997) explains, "The problem is never how to get new, innovative thoughts into your mind, but how to get old ones out" (p. 76). On the other hand, while forgetting may be critical, the paradoxical nature of change continues to make itself known. It is also possible to forget too much.

From the standpoint of group dynamics, creativity is not solely about recreating, destroying, and forgetting. On the contrary, it is impossible to foster a creative environment without taking into account the relationship between the "emergence" of an idea and the process that gives rise to it. In many respects, creativity is a function of the

symbolic interaction among diverse members of the organization. Sawyer (2007) argues that group creativity among jazz musicians on stage is defined by symbolic interaction and communication. For him, it is the symbolic nature of music and verbal art that is most important in the creative interaction, meaning that the process is, as it were, also the goal of the performance. From this perspective, any theory of group creativity must have symbolic action as its foundation.

Jazz improvisation, for example, is not designed to generate a product at the end of a performance. In other creative contexts, the process begins with an end in mind, or, as described earlier, a pre-established destination. Thus, the process of “brainstorming” or the practice of holding group meetings, aims for a new idea, product or service. For Sawyer (as cited by Burkhardt, 2009, middle section), “performance creativity doesn’t result in a product,” meaning that the process is the product and the symbolic interaction is the goal. Under the circumstances, the object of the performance is to achieve a group reality such that the organic whole is greater than the sum of its parts. None of this evokes images of “creative destruction” or “forgetting,” nor does it sound much like “incrementalism,” but it does suggest that, in the context of trying to create a new idea, product, or service, emphasis on the process may, after all, yield a high quality finished product even if it is not undertaken with an end in mind.

#### *The Significance of Symbolic Interaction.*

It would also appear that the conditions necessary for symbolic interaction on stage depend, to a great extent, on the symbolic interactions that preceded the performance. As Gridley (1997) points out, jazz musicians build on tradition, and, ironically, much of their creativity depends on the extent to which they have mastered the

musical vocabulary passed on by previous masters of their art. Further, jazz artists almost always learn their craft by reproducing, one might even say, copying the musical style of musicians they admire. At the very least, they build their style as a reaction to something they have heard. It is only later that they break away from their earlier influences to develop a style of their own. Thus, the majority of jazz musicians, even the game-changing trailblazers, learn in the context of how others have approached the challenge of improvisation. Their musical growth does not develop in a creative vacuum, and elements of the approaches used by their predecessors usually remain. Those who ignore tradition and attempt to create something totally new, almost always fail to develop their potential and often compromise reasonable standards of beauty and taste.

Musicians often point out that the perfect jazz performance consists of providing a predictable sound about 50% of the time and creating a surprise about 50% of the time. If everything is predictable, the performance becomes boring; if everything is a surprise, the music sounds chaotic and overwhelms the listener's capacity to make sense of the performance. Thus, without some frame of reference, such as a well-known musical composition or the memory of other artists and the way they have approached the composition, the listener cannot compare the original sound with the novel sound and cannot, therefore, appreciate the creative effort involved in improvising on a theme. In a very real sense, the development of every musician's style can be characterized as a proportion of predictability and surprise. In fact, the style of all jazz musicians is partly original and partly derivative, the aim of which is to be grounded while avoiding the elements of cliché. The differences among performers may be described in terms of the proportions involved. On the one hand, those who cling to the past too tightly or for too

long, compromise their own creative development by repeating history and living in the past. On the other hand, those who ignore tradition and attempt to create solely on the basis of a context-free imagination, tend to destroy the musical structure around which improvisation occurs.

Does the jazz musician's effort to create beauty correspond in any meaningful way to the organizations effort to create change? Are the leadership qualities that foster creative expression in a jazz ensemble similar to the leadership qualities that foster creative expression in an organizational setting? Writing in Forbes magazine, Crouch (1996) comments:

“In the digital age, as we move into quicker and quicker exchanges of information ... and re-inventions of the world of work, our organizations and our careers in action will become more and more closely aligned with the jazz ensemble ... We will find ourselves improvising with greater and greater confidence and fearing less and less the imaginative power of the individual committed to enriching the whole” ... “Every concert master understands it [the imaginative power of the individual]. So does. ... especially ... the leader (and there is one!) of the jazz ensemble: Respecting the power/potency of individuality may be challenge NO. 1 in the years ahead ... in this, the age of brainware, the age of creativity. (p. 252)

Indeed, the synthesis of the leadership element [insofar as it is responsible] with the creative element [insofar as it is functional] may well reflect a universal change principle that can be applied both to musical performance and organizational strategy. Under ideal circumstances, jazz performers and organizational leaders employ a multidimensional change strategy which aims at balance, taste, and good judgment; both discourage undue emphasis on the status quo at the one extreme and mindless faith in unrealistic novelties at the other extreme; each seeks an element of predictability and an

element of surprise, all of which fosters a creative environment and a sound decision-making process.

*The Importance of Psychological Traits and the Organization's Culture.*

At the same time, the analyst should not dismiss the psychological component of the creative enterprise as if everything can be explained in terms of symbolic interaction. It is usually the case, for example, that the same individual traits that lead to personal creativity also apply to the organization. Just as the individual cannot invent and produce novelty without accepting risk and the possibility of failure, the organization cannot express institutional creativity without accepting its own risks or without building its culture of communication around that standard. Both the individual and the organization must resolve to take the long view--to press on in spite of unexpected distractions and unwanted setbacks--to hold fast to the principle of diversity and open mindedness. On the other hand, true improvisation and creativity are inseparable from the unchanging principles around which they express themselves. Just as jazz musicians cannot create meaningful music without conforming to musical laws, listening to past masters, and then breaking away from their influence; members in the organization cannot create novel ideas without identifying with the organization's mission, finding role models to emulate, and allowing their own creative faculty to emerge.

More than anything else, it is the values associated with a culture that provide the basis for its identification. According to Collins and Porras (1994), the secret to long-term corporate success is to maintain core values while, at the same time, exploring new ideas. Put another way, a creative culture must be strong, that is, it must reflect agreement on basic values, but it must also be oriented to the task of creating change. In that context,

perhaps no organizational value matters more than the capacity of its individual members to trust one another. Indeed, creativity, as becomes evident in any comprehensive analysis, depends both on rhetorical communication and dialogical communication.

In order for creativity to reach its optimum level, mutual trust must define inter-organizational communication as well as intra-organizational communication (Peppers and Rogers, 2008). The organization's capacity to build trust with customers, for example, is not unrelated to its capacity to build trust among its own members. If employees know that an organization's leaders engage in questionable business practices with customers, they will likely not trust those same leaders to be fair with them. Similarly, if some employees talk about other employees or customers behind their back, they cannot summon sufficient trust to communicate effectively about creating change. From an inter-organizational vantage point, the same dynamic is in play. If clients know that an organization's leaders' treat their own employees unfairly, they will likely assume that the same unethical attitude holds for customer relations (Peppers and Rogers, 2008). Fair business practices generate trust, and trust generates fair business practices. Thus, inter-organizational dynamics and intra organizational dynamics are inextricably linked and, once again, leadership, both formal and informal, is critical. O'Toole (1995) explains: "Those who do not respect and trust their followers cannot lead them" (p. 37). Since effective communication entails risk-taking, honest disclosure and open-minded solicitation, only a highly developed culture of trust can support these kinds of exchanges. This core value should remain untouched by other potential changes, serving as the non-negotiable, unchanging principle that defines all symbolic interaction. As an uncompromising standard for establishing a sound organizational culture, trust is the

necessary condition for respectful disagreement, which in turn, is the usual condition for creativity (Peppers and Rogers, 2008).

*Grid Theory and Organizational Conflict.*

While respectful disagreement is impossible without trust, it also depends largely on the communicative skills of the organization's members. This is true not only on matters of creativity, but also with respect to the broader principle of dialogical communication, which, as indicated, requires interaction at the intersection of disciplines. As Hargrove (1998) has made clear, almost everyone in the organization must be trained to communicate effectively. It does not come naturally to most people.

As a guide for productive organizational communication, the grid model for leadership behavior introduced by Blake and Mouton (1964) remains influential. This model describes *concern for production* as the X-axis and *concern for people* as the Y-axis, each axis ranging from 1 (Low) to 9 (High). While several leadership/management behavior patterns are described, the three that matter most for this study are 1) The proclivity to accommodate, a 1/9 style characterized as “yield and comply.” Because this group demonstrates a high concern for people coupled with a low concern for production, those in its ranks are often called “people pleasers.” 2) The proclivity to dictate, a 9/1 style characterized as “control and dominate.” Because this group demonstrates a high concern for production coupled with a low concern for people, those with this approach are referred to as “whip crackers,” and 3) The proclivity to collaborate, a 9/9 style characterized as “contribute and commit.” Because this group demonstrates a high concern for both people and production, those who practice these behaviors tend to



become the organization's formal and informal leaders, if, and only if, a sound communicative culture is in place.

One of the best kept secrets about "Grid Theory" is the fact that, typically, the behavior patterns found in grid categories, such as the tendency to be too aggressive [the whip crackers], or too passive [the people pleasers] and the attendant interpersonal habits of disclosing too much or too little of ones knowledge, attitudes, feelings, and convictions, stem from psychological drives that go all the way back to childhood. The same can be said about the related tendencies to squelch conflict at one extreme and avoid it at the other extreme. In their early years, about 80% of Americans, unconsciously fearful of losing the love of their parents and feeling a need to adjust to their environment, decide that the pursuit of approval and respect constitutes a conflict of interests, meaning that they feel they must chose one over the other (Blake and Mouton, 1985). Thus, those in business who have decided, unconsciously, that respect matters more than approval, cultivate aggressive interpersonal habits and practice autocratic management, while those who have decided that approval matters more than respect, cultivate non-assertive interpersonal habits and practice permissive [not participative] management. From a communications perspective, the aggressive personality discloses too much information relative to the amount solicited, while the non-assertive personality solicits too much information relative to the amount disclosed. From a psychological perspective, the former type is said to be strong and cold, while the latter is said to be weak and warm, each possessing one positive and one negative trait. By contrast, the 9/9 collaborators, about 20% of the general population, are naturally disposed to believe that respect and approval are compatible; feeling no internal conflict, they find a reasonable

balance between speaking with frank sincerity, a manifestation of strength that wins respect, and listening with sympathetic attention, a manifestation of warmth that wins approval. Because they consistently behave this way, they become the strong/warm leaders who seem to establish productive working relationships with most people most of the time, allowing them to manage conflict in a way that stimulates creativity.

Complicating the matter further, a full 80% of those who find their way into leadership positions, after having been exposed to the concept of collaborative leadership, mistakenly believe that their behavior fits that category, even though only 20% of them truly behave that way. In other words, the vast majority of leaders and communicators overrate their ability to create the optimum level of intimacy and trust in a business relationship. Although individuals tend to trust those who temper truth with kindness, honesty with sympathy, and strength with warmth, all attributes of the 9/9 leadership style, a majority of communicators fail to achieve those standards. According to Blake, (as cited in Flower, 1992), the real challenge consists not so much in getting people to change their future behavior but in removing all self-deception about the true nature of their present behavior. In other words, “autocrats,” who try to get their way even if it makes others uncomfortable, and “appeasers,” who tend to smooth things over even at the expense of ignoring their own concerns, both tend to believe, mistakenly, that their behavior is not extreme--that it reflects the right balance. Thus, to prepare for the intense dialogue necessary for the creative effort, each must come to understand the need for balance and completeness, recognizing their shortcomings in that context, and changing their behavior accordingly. By mastering the skills of interpersonal communication, the dominator learns to tolerate disagreement in the right spirit, tempering truth with

kindness, and the appeaser learns to voice disagreement in the right proportions, tempering kindness with truth.

*Grid Theory, Self Delusion, and the Problem with Situational Leadership.*

Since most strong/cold, and weak/warm personalities naively believe themselves to exhibit strong/warm behaviors and do not, therefore, have any way of knowing which traits they lack, it is very difficult for them to function in “situations” that demand those traits. In order for *strong/cold* leaders to adjust to a situation that calls for a sympathetic listener, increased debate, and employee involvement, they must first learn how to listen sympathetically, allow dissent, and share power. Under these conditions, the optimum response requires training, which, in turn, requires self knowledge about which traits need changing. Similarly, in order for *weak/warm* leaders to adjust to a situation calling for more assertiveness, they must first learn to take control, use power, and embrace conflict, which are precisely the kinds of behaviors that they tend to avoid, and, more to the point, do not know that they avoid. For these and other reasons, not all management/communicative styles are equal. Indeed, Hall (1988) has rated thousands of leaders of various leadership styles, using such standards as their capacity to share power, their willingness to solicit and disclose information, their ability to manage conflict productively, and their tendency to foster a healthy communicative environment. Expressed in terms of their demonstrated rate of success, he places them in the following hierarchy: 9/9 collaborator, 92%; 5/5 compromiser, 54%; 9/1 autocrat, 50%; 1/9 friendly helper, 38%; 1/1 avoider, 15%. Advocates for situational leadership, who often insist that one style is no better than another, will not take comfort in these numbers.

In keeping with that idea, Filley (1975), Thomas (1976), and Hall (1988) have all demonstrated that effective personal styles of conflict resolution almost perfectly match the grid theory formulation, with the collaborative style emerging as the preferred approach. Confirming the point in another context, Hall's reformulation of Luft's Johari Window (1961), an interpersonal model which describes the optimum levels of disclosure and solicitation, has made it clear that, as a standard for intimacy and trust, 80% of information about thoughts, feelings, attitudes, should be mutually disclosed and only 20% should be held back. In complementary fashion, McClelland and Burnham (1988) studied the relationship between exposure feedback and power sharing, indicating that the 9/9 collaborator is not afraid to share power, contrary to both the aims of the 9/1 dictator, who is not willing to share it, and the 1/9 people pleaser, who is afraid to use it.

Further, grid theory behaviors can also be expressed in terms of Maslovian psychology, which places the 9/9 leader in the favored category of self-actualization, while the 9/1 leader is identified with ego gratification and the 1/9 leader is associated with social concerns (Hall, 1988). From a Maslovian perspective, the 1/9 yield/comply style eschews power, owing to the primacy of social needs over "ego needs; the 9/1 control/dominate style seeks power for the wrong reasons, primarily to satisfy "ego" needs; and the 9/9 collaborator, motivated by the goal of "self-actualization, and unrestrained by inordinate social or ego needs, willingly acquires power to accomplish a task. The purpose of identifying one's style is to allow that person to become conscious of his/her behavior, recognize the personality traits that gave rise to that behavior, and align that behavior with the style of a 9/9 collaborator, recognizing that behavior can, indeed, be changed, even though the personality that gave rise to that behavior cannot.

Further, Hall has shown that managers tend to breed other managers in their own image and likeness, which explains why many organizational cultures are, as earlier indicated, easier to “kill” than to change. Thus, collaborative managers breed collaborative successors; autocratic managers create autocratic successors; laissez faire managers produce laissez faire successors and so on. Does it not seem reasonable, then, to elevate as many organizational leaders to the level of self actualizing behavior as possible by preparing them to assume a collaborative style of leadership, training them for the give and take of spirited dialogue, and disposing them for the kind of role-model consistency that both employees and customers can learn from and identify with?

Further, Hall has shown that, typically, the organization’s employees have been exposed to so many broken promises about “involvement” and “empowerment,” they no longer take those promises seriously. Because significant lag time exists between the installment of a new program and the acceptance of that program, employees who have been misled in the past will abandon their cynicism only after it becomes clear that the participatory ethic will be long lasting and consistent, hardly the ideal circumstances in which to practice situational leadership. Clearly, leaders should adapt themselves to whatever set of circumstances or situations in which they are asked to perform, and clearly there are times for directive type behavior, especially when those being led cannot function without a strong leading presence. On the other hand, leaders cannot adapt to those situations without first possessing [or being willing to cultivate through training], the capacity to exhibit strong/warm behavior patterns, which will allow them to include or withhold one trait or the other at will. It is mainly through collaboration that the leader encourages mutual openness, establishes trust, and builds intimacy, a strategy that works

with most people most of the time, and which should, therefore be held as the most reliable approach to leadership in a free speech culture and a free market society.

*Beyond Conflict.*

Although spirited dialogue is an essential element for the development of new ideas, creativity is not solely a function of disagreement and conflict. To be sure, open dissent can be used effectively to draw from a wide variety of diverse ideas, insure widespread participation in the decision making process, and foster a culture that encourages independent thinking. Further, the process of open debate protects the organization against what is known as “The Abeline Paradox” (Harvey, 1974), a situation in which members of a group fail to speak up, mistakenly believing that their own preferences go against those of the group. Still, in the strictest sense, conflict, disagreement, and dissent, are not necessary conditions for a creative culture if, as it turns out, a sense of mission and intense agreement define the interaction. Returning to the musical metaphor, it helps to remember that the two greatest American composers in history, George Gershwin, complemented by Ira Gershwin, and Duke Ellington, complemented by Billy Strayhorn, were both part of a team. In both cases, the relationships were characterized in organic, almost mystical terms. Ellington often described his musical collaboration in terms of its unity--two musicians thinking as one--each a part of the other--or as he once referred to Strayhorn, “my right arm, my left arm, all the eyes in the back of my head, my brain waves in his head, and his in mine.”

These kinds of collaborations, which I have described as “co-creation,” are characterized as two or more individuals working together in a spirit of perfect harmony to pursue a common aim. While they are not the norm, they do produce unusually rich

levels of creativity when they occur. At this level, the creative act achieves the ultimate in beauty, finding connections in seemingly scattered bits of information, discerning relationships in apparently isolated facts, detecting broad patterns and design in reputedly random events; like the improvising musician, co-creation seeks form, balance, beauty, and, more than anything else, unity-- the same orchestration of the many into the one that one finds in a portrait or a symphony.

As is the case with dissent driven diversity, co-creation produces, albeit at a higher level, a phenomenon known as “synergy,” the dynamic interpersonal process that produces a group outcome surpassing anything that could have been accomplished by the sum total of contributions by all of the group’s members--where the whole, so to speak, is greater than the sum of all its parts. While synergy can occur in the context of well-managed conflict, the highest order of creative imagination and accomplishment emerges when multiple minds work in perfect harmony toward the progressive realization of what is perceived to be a worthy ideal. In these unusual cases, the communicators somehow manage to tap the potential of diversity without purchasing it at the expense of emotional conflict.

*Straight Talk about Communication and Synergy.*

Sadly, the concept of synergy, which, in the current context, refers primarily to the maximum creative output generated through interpersonal communication, has been so flagrantly distorted by businessmen and economists, that its meaning has been either lost or widely misunderstood. Geneen (1997) characterizes synergy as a “myth,” and an “ailment of business.” Piling on with the same attitude, Peters (1997), who we can normally quote with approval, describes synergy as a “snare and a delusion,” (p. 46). (In

his usual spirit of trying to get things exactly right, and to his credit, Peters (2003) has modified his position somewhat, holding that "...In fact, I acknowledge that acquisitions can have a role to play" (p. 38). Again, Geneen (1999), having already invested one book on the subject, and, apparently fearful that the message has not been sufficiently publicized, writes yet another one entitled, "Synergy and other lies." Exploiting the same theme for all it is worth, Sirower (2000) warns organizational leaders about the costs and dangers of "The Synergy Trap." To probe the meaning of their message, however, is to understand that, in each case, the authors have radically redefined the operative word to convey an idea that bears little resemblance to its original and intended meaning.

As understood in its now common usage, when businessmen speak of "synergy," they are describing the hoped-for success of a business merger or acquisition, which of course, transcends the dynamic of interpersonal communication and has little or nothing to do with the dynamic process of productive teamwork or its capacity to generate creative ideas. The real complaint, though they never describe it in these terms, is that the task of trying to manage a "conglomerate" is too complicated and that the two parts do not really constitute a whole. From a communications perspective, though, this should be no surprise. If, indeed, it is easier to "kill" an organization's culture than to change it, how much more difficult would it be to merge two incompatible cultures, neither of which would prefer to integrate with the other, and neither of which will consent to die. Thus, the term "synergy" doesn't really apply to the phenomenon of business acquisitions and mergers, which are complicated by legal entanglements, administrative limitations, prior cultural commitments, misused and misdiagnosed talents, disputes about the allocation of scarce resources, and other such impediments that militate against the possibility of two



organizations working as one. It is, therefore, incumbent on the communication theorist, to counter this error, explain its relevancy, and restore confidence in the power of interpersonal communication, the reputation of which has been unduly burdened under the weight of imprecise terms and definitions.

Organizational synergy, then, understood in terms of harnessing the power of diversity in a high trust culture, reigns supreme as a producer of creative ideas. Usually, this interaction requires significant and well-managed conflict, but occasionally, it can occur with little conflict, when members of a group work together, think as one, and discipline themselves to avoid the aforementioned Abeline Paradox. Thus, the capacity for intense interaction is inextricably tied to the success of the creative effort, meaning, as Dundon (2002) suggests, that synergy is the force that fosters new ideas. It is the task of rhetorical communication to generate ideas for innovation; it is the task of dialogical communication to weigh the value of those new ideas against the demands of the external environment, evaluate them in the context of other intra-organizational priorities, and receive the new ideas for creativity and innovation that occur spontaneously at the intersection of disciplines. In this sense, rhetorical communication and dialogical communication do, in some ways overlap, except that the latter is ordered to the task of cultivating interdisciplinary communication, while the former is ordered to the task of creating a marketable product of service.

*Risk, Failure, and the Lunatic Fringe.*

It is important for decision makers to understand the context in which the organization must respond to and create change, especially in turbulent times. As was pointed out in Quadrant 2, organizations do well to analyze their internal strengths and

weaknesses in the context of the challenges presented by the external environment. On the other hand, the organization cannot afford to conform endlessly to rules handed down by cultural forces without occasionally making a few rules of its own, nor can it afford to allow its competitors to decide how, when, and under what circumstances the innovation game will be played. As recent history teaches us, “sustainable competitive advance,” as it is often described in the change literature, cannot, as it turns out, be sustained. Peters (2003) describes the old days: “And then there was *The Sustainable Competitive Advantage Bet*. To put it simply: Figure out the one or two things you can do better than anybody else...and keep doing the hell out of them.” (p. 25) Agreeing with Peters about the obsolescent nature of this formulation, D’Aveni (1994) holds that hyper-competition, the current economic reality, is a state in which sustainable advantages no longer applies and is not even possible.

Clearly, this new formulation challenges the old models for strategic planning [at least those that look months and years ahead] and prompts the organization to create change through a series of transient, short lived competitive advantages. Consistent with “chaos theory,” which examines each new era in history as another history disconnected to the past, hyper-competition characterizes each new striving for sustainable advantage as a new project disconnected with former realized competitive advantages. To this extent, speculative planning must decrease, intelligent risk-taking action must increase; familiarity with the known must decrease, experimentation with the unknown must increase; undue concerns about caution and danger must decrease, strategic initiatives involving risk must increase; routine policies and procedures must decrease and failed attempts at creativity must increase. The last point merits further comment. Given that

most good ideas do not receive internal organizational support, they are unlikely to survive and even less likely to gain enough traction make it to the market. Accordingly, the number of creative efforts will normally exceed the number of creative successes by proportions of 100 to 1 or more, a fact of life that is as true today as it was a century ago. “Innovative ideas are like frogs’ eggs: of a thousand hatched, only one or two survive to maturity” (Drucker, 1999, p. 261). Reminding us of the historical element, Merrill (2008) explains that The Wright brothers tested over 200 different wing designs before finding success, and “WD-40,” a product of Rocket Chemical Company, gained its name from the thirty-nine failures that preceded the finished product.

According to Peppers and Rogers (2008), failures can be classified in two ways: 1) “Fiasco failures are the result of stupid mistakes, lack of homework, laziness, misguided decisions, general incompetence, and mindlessly following old rules. 2) Wise failures are the result of well-executed smart ideas, based on carefully considered risks” (p. 174).

They cite Jim McCann, founder of 1-800 Flowers, who feels that innovation requires a company to celebrate its failures.

The central question you face when you are trying to grow your business--even just trying to make sure your business survives--is how to foster your own company’s ‘climate of innovation.’ Can you live with, and even celebrate, failures? Is it possible to turn your employees into more flexible, adaptable, and creative people?” (p. 174)

At this point, we come to a relevant and sobering thought. If, with respect to the current economic crisis, the government “bails out” incompetent organizations that commit fiasco failures, why, then, should competent organizations continue to be competent and limit themselves to wise failures?

While the principle of taking reasonable risks resonates with most prudent CEOs, other analysts such as Peters, scoff at the idea of using of due caution, calling for what seems to be an almost reckless, go for broke, foray into the unknown, even to the point ridiculing the word “initiative” as a weasel word. Welch (2001), Peters (2003), Peppers and Rogers (2008), and many others are using the term “lunatic fringe” to describe this new approach to risk-taking, which clearly transcends the notion of “wise failure.” What do lunatics, after all, have in common with sages? Or, is it the point that they are one in the same? In any case, the allusion to a “lunatic fringe” is used as a term of praise, referring not only in terms of the organization’s culture, but also as a standard for hiring boldly creative people. Creativity, as all these analysts cry out, is all about boldness, hard work, and more boldness: Failure brings success, fast failure brings fast success, and big failure brings big success. So which is it? Should the organization strive for fiasco failures or wise failures? Should it assume the role of a lunatic or of a sage?

It is not a new question. In the earlier part of the 20<sup>th</sup> century, Og Mandino, once a down and out alcoholic who became a famous author, worked for insurance magnate W. Clement Stone. In one fast paced transaction, using his best judgment, Mandino made a bold move which ended up costing the company \$2,000,000, which is the rough equivalent of about \$10,000,000 today. As he prepared to find new employment, he visited Stone in his office with his resignation and an abject apology. Stone replied, “Are you kidding, I can’t let you go. It just cost me \$2,000,000 to train you.” Of course, Mandino’s daring strategy, based on a fair assessment of quantifiable market indicators, is far removed from the unethical gambles taken by many of today’s Wall Street executives, many of whom resort to deceit, dishonesty and fraud, taking unwarranted

risks with other people's money, other people's trust, and other people's lives. Thus, as will soon become evident, ethical boldness generates creativity and success; unethical boldness yields imitation and failure.

Nevertheless, the risk-taking ethic is one of the most important and one of the least appreciated factors that will determine innovative success in the future. Drawing on the research of Thomas Stanley, Farson and Keyes (2002) insist that whoever makes the most mistakes, wins, and concludes that school-related evaluations are poor predictors of economic success. What does predict success is the willingness to take risks, the very antithesis of the educational system's practice of penalizing risk takers and rewarding those who play it safe. Apparently, those who do succeed in school, having internalized this guarded instinct, find it harder to take risks later in life.

The broader point, though, is that organizations cannot create change solely through thinking and planning, they must, as it were, get in the game--they must respond to their gut reactions, invest in and test unproven ideas-- they must learn not only to tolerate but to demand failed attempts at creativity. Schrage (2000) emphasizes the role of technological modeling as a source of creativity, arguing that experimenting with prototypes or models can prompt innovative questions and stimulate innovative answers. He insists that appealing to models can raise questions even more interesting and important than the ones which the models were originally intended to address, and that the interactive process required fosters mutual trust among all those involved. Again, this point is consistent with the ethic of building trust within and outside the organization. If team building can form around a model, rather than the other way around, intra-organizational trust is likely to increase. Similarly, if the organization can involve the

customer early in the process, negotiate ideas about what is desired, and identify various options through spirited and respectful dialogue, inter-organizational trust will blossom into inter-organizational synergy.

*Working Through the Paradox.*

At this point, the analyst is faced with the very real problem of maintaining a modicum of intellectual coherence in facing the daunting challenge of reconciling two seemingly incompatible world views about change. With respect to orienting the organization to the real world, can the organization be “built to last,” as Collins and Porras (1994) assure us, or must it submit to the principle of “creative destruction?” Is it possible to integrate purposeful strategic planning with a policy of innovation by trial and error? According to the theme of this report, the answer to the latter question is yes. However, the solution to these and other questions of a similar nature is to analyze change from a multi-dimensional perspective--to consider the total change reality--to balance the need to adjust with the desire to transform. By taking account of the big picture, the analyst comes to realize that the solution to this and many other problems harkens back to the fundamental question that all organizations must ask and the one that defines all the questions that follow: “Is our mission, or purpose, or “raison d’être,” negotiable? If the answer is no, then the organization must be built to last; if the answer is yes, it must reinvent itself daily. In both cases, the organization’s strengths, weaknesses, problems, and opportunities must be framed in the context of that decision. Of course, even those organizations that maintain their purpose must, in recognition of an ever-changing world, reinvent the ways in which they understand, communicate, and carry out that purpose. No organization, even one with a non-negotiable purpose, is exempt from

the challenge of re-examining the appropriateness of that purpose, assessing its relevance to the world, or finding new ways to exert influence in an image conscious culture that is concerned about the meaning of that message in one context, and one context alone-- “What’s in it for me?” No organization, at least no organization in a competitive environment, is exempt from the rule, “innovate or die.” It all begins with asking the right questions in the right order.

Further, even the 80/20 principle, which allows the organization to identify its vital few customers, must be understood and applied in the context of old business relationships and new technologies. The organization can and should, through strategic analysis, isolate the causes of much of its success, but analysis cannot suffice for creativity, nor is it its nature to consult the lunatic fringe. Indeed, Christenson (1997) explains that some firms, by investing so heavily in the very technologies that could provide optimum service for their best customers, and by under-funding or even ignoring the more disruptive [yet promising] new technologies that these vital view customers do not want, lose their leadership position by falling into obsolescence. What can one make of all this except to reiterate the theme of this report? At times, the organization must embrace the world of rationality and order, defining its situation, analyzing its strengths and weaknesses, managing causes over effects, and making its best guess about an uncertain future. At other times, it must embrace the word of disorder and irrationality, consulting the lunatic fringe, ignoring the wishes of its best customers, flouting the 80/20 rule, exploring disruptive technologies, and disdaining the market. If that tension is not understood, discussed, and brought into balance, the quality of the organization’s decisions will suffer.

*The Problem with Forced Creativity.*

In a world of frantic change, time constraints, and market fluctuations, decision makers must confront the very difficult problem of weighing organizational time pressures against the dynamics of the creative process. Some analysts are convinced that time pressures stimulate creative thinking, while others are convinced that it stifles the process. Altman (2006), for example, holds that time deadlines provide an urgent sense of mission that will stimulate a positive group response and prompt its members to search collectively for creative answers to pressing problems. Yet Pepper and Rogers (2008) report that Richard Campbell, former CEO for Intuit and one who, by the way, also subscribes to the practice of consulting the lunatic fringe, insists that it is impossible to command creativity--that all the organization can do is to create an environment in which creativity can flourish--that innovation must be allowed to happen naturally and spontaneously. Indeed, psychologists have, at least from an individual standpoint, traditionally made the point that the creative element responds to stimulus and not to pressure because, as it is understood, the individual activates the conscious mind to ask questions of the unconscious mind, which, in turn, refuses to operate on the basis of time constraints and provides answers when it pleases, if it pleases, and in its own way. However, as is evident, organizational creativity is more about group efforts than individual initiatives., Still, some thinkers, such as Moxnes (1999), hold that the organization possesses its own “subconscious mind,” which would suggest, if that term means anything, that the “lower region” responds to stimulation and not to pressure.

In order to gain a scientific perspective on this problem, Amabile (as cited in Silverthorne, 2002) investigated the relationship between time pressure and creativity as



part of a multi-year research program. Among many different organizations, she studied 238 employees on 26 project teams, asking them fill out brief electronic diaries during the entire course of a creative project. Her goal was to “trap creativity in the wild” by observing it as it was happening within organizational teams that were supposed to be doing creative work.

In general, the study showed that high levels of time pressure do not lend themselves to the creative effort. If a time crunch is absolutely unavoidable, managers can try to preserve creativity by minimizing work distractions and emphasizing a sense of mission. While a sense of mission can, in the short run, compensate for the negative impact of time pressure, it can produce far higher levels of creativity in a low pressure situation. At the same time, the study showed that very low time pressure may lull workers into inaction, though this problem appears to be rare.

Here, it would seem, another important nuance should be added. According to Merrill (2008), innovation is a multi staged process: Finding the opportunity, connecting it to a solution, selecting the solution, making it user friendly, and getting it to market. Interestingly, the earlier stages lend themselves to low pressure stimulation, while the latter stages, which bridge that gap between creativity and innovation, require high pressure time constraints. In other words, low pressure serves the process best *until* the creative idea is in danger of being taken up by the competition. Put another way, innovation begins with a “loose” process that allows the idea to develop and ends with a “tight” process, which hurriedly tests the product and brings it to market. Further, the organization’s culture must embrace this paradoxical principle and cultivate the needed flexibility to practice it consistently. Notice, also, that Merrill’s *linear* formulation of

“finding” the opportunity, tugs away at Peppers and Rogers’ *socially constructed* formulation of “creating” the opportunity with the customer. The philosophy of this report is that both approaches are essential and compatible.

#### *Quadrant 4: Organization Changes Environment*

In this final category, the report shifts the focus from the process of creating an inventory of new ideas to the challenge of marketing those vital few which are most likely to find success as a new product or service. As has already been indicated, the organization can, in the context of seeking a competitive advantage, use specialized language for many purposes, among which include sensemaking, establishing priorities, generating questions, sparking the creative effort, establishing its brand, and marketing that brand.

While not all organizations exist as commercial enterprises competing for customers, most are required to face a critical audience and account for the quality of their performance in some way. Non-commercial organizations use many of the same general principles of persuasion as their commercial counterparts, though the ways they apply those principles will vary. In each case, diagnostic communication can apply language to the task of converting facts and analysis into sound objectives, strategies, and decisions, while rhetorical communication can apply language and symbols to the task of tying the organization’s total creative effort to its mission.

Political campaigns and social movements, for example, like commercial enterprises, are designed to influence their environment, using brand images and symbols. Unlike commercial enterprises, they do not always pay a heavy price for using these messages and symbols in unethical ways. These following reflections, which will

discuss both commercial and non-commercial rhetorical communication, at times in the same context and, at other times, separately, are informed by the assumption that the art and science of rhetorical communication is a noble, useful, legitimate, and ethical tool for creating change. On the other hand, unethical communicators can, in a number of ways, do great harm by misusing rhetorical strategies for selfish and antisocial reasons.

*Rhetorical Communication, the Message, and its Transmission.*

While rhetorical communication can bring a product to the market, it can, in some cases, bring the market to the product by changing customers' perception of what they prefer, or, over a long period of time, changing even the preferences themselves. In both circumstances, images reign supreme, and it often becomes difficult to know whether the perception of the want or the want itself has been influenced. The point applies to both the political and business domains. According to Naisbett (2005), looking at a picture or an image for 1/10<sup>th</sup> of a second can have more impact than knowing a political candidate's position on the issues. Thus, seeing a presidential candidate in the right setting can matter as much or more than the message itself. Luntz (2008) reports that, Michael Deaver, consultant to Ronald Reagan once chided Lesley Stahl, CBS news commentator, who thought she had been rather critical of the president. "Lesley, nobody heard you," Deaver informed her. "When the pictures are powerful and emotional, they override if not completely drown out the sound." Luntz explains further: "The happy pictures of President Reagan--looking strong and amiable and, well, presidential--undermined the *context* for Stahl's harsh critique" (p. 29).

For some, the message is only peripherally related to the product since, one gathers, too many advertisers [or politicians] have something else up their sleeves. In his

rather lurid and unflinching book, Key (1973), following a more general theme proposed by Packard (1957), charged that many businesses use subliminal sexual messages to shape consumer behavior, designing ads for emotional, not intellectual impact--for unconscious rather than conscious responses. Ironically, the books theme, which was meant to serve as a warning to uninitiated consumers, became the instruction book for a whole new generation of merchants who had not yet heard of the technique.

Some critics wondered, though, why Keys would urge people to use their conscious mind to block subliminal messages when the purpose of the message was to bypass conscious awareness. If unconscious influences can be deflected by an informed conscious response, what is it that is so influential about subliminal messages in the first place? Perhaps the answer lies in the fact that unconscious messages are effective only if the recipients do not know what is being done to them, and, having been alerted, they can take the necessary precautions.

*Good Brands, Uniqueness, and the Emotional Connection.*

As a strategy for creating change, rhetorical communication specializes in the power of influence, employing a wide variety of tools other than words, although words remain vitally important. For many organizations, its brand name or brand image serves as its premiere power tool of influence because it provides employees with a meaningful, concise, message with which they can identify and rally around, while instilling in its customers a sense of trust. “A brand reaches out with a powerful connecting experience. It’s an emotional connection point that transcends the product...A great brand is a story that’s never completely told” (Peters, 2003, p. 155). What many miss is the point that branding applies to all organizations, large and small, helping them to confirm their

relationship to the external environment. As previously indicated, branding is, or at least should be, both internally oriented [creativity] and externally oriented [innovation], that is, it helps the organization to prepare the message as well as to send it--to reflect on its mission in preparation for making changes in the external environment -- to internalize and crystallize its own reason for being in order to tell the world about it in the most dramatic way possible.

In fact, the organization's capacity to influence the customer and evoke feelings of trust is inseparable from the employee's capacity to believe in and confirm the values implied in its message. Again, the key to branding is to be found in the unsurpassable habit of asking fundamental questions and asking them in the right order, among which are these three: Why are we here? In what ways are we unique? How can we make a dramatic impact on the environment of which we are a part? Branding is as much about meaning as it is about marketing, which is another way of saying that the organization must market its meaning. It is about defining your organization before others define it. Peters (2003) alludes to a comment from the late Jerry Garcia of the Grateful Dead: "You do not merely want to be considered the best of the best. You want to be considered the only ones who do what you do" (p. 158). The idea is not so much to excel, which is a given, but to separate yourself from others with that excellence. Indeed, studies have shown that the organization's capacity to highlight that difference and present it in the context of believable consumer benefits constitutes the most effective form of rhetorical communication possible.

*Marketing Physics.*

Hall (2002), has highlighted the vital few communicative strategies that influence consumer buying behavior, using a series of “success algorithms,” each having been shown to have a “statistically significant relationship with success based on analysis of four thousand concepts and some 1.2 million customer data points” (p. 36). From these and other studies, he has identified what are now celebrated as the “Laws of Marketing Physics,” communicative principles found to be so effective and dependable that they can change the probability of success for a new business from a range of 10-15%, the normal rate, to a range of 50-75%. [My comments and added interpretations will be placed in brackets].

Law #1: Overt Benefit. What is the product's or service's “one great thing?” The critical element in this law is the fact that organizations cannot simply boast about the *features* of their product or service, they must communicate and use symbols of language to translate those features into specific *benefits*. To the question of features, the consumer always asks the question, “So what? What will it do for me?” The language of marketing must provide an answer so clearly expressed that it can't be missed. On matters of automobile safety, for example, “stabilization control” constitutes a feature while “reduces rollover risk” communicates an overt benefit. The decisive word is “overt.” In fact, consumers “use only 2% of the information they are exposed to” (p. 29).

[As is the case with designs and brand names, the language of conferred benefits contains the power to not only link the organization with the customer, but also to unify members inside the organization. Among other things, it tempers the organization's reliance on, attachment to, and pride in its own original ground breaking technologies

with the cold hard reality that its customers may want little or nothing to do with them. Thus, diagnostic communication and rhetorical communication are always essential elements in any decision-making process: Without the diagnostic element that identifies the consumers' wants and needs, change makers will be shooting at phantom targets; without the rhetorical element that translates the meaning of the product or service as an answer to those needs, the change makers cannot hit the targets even after they have been identified].

Law #2: Real reason to believe. Does the organization consistently deliver that one great thing? [While an organization's brand name implies a promise of future benefits and suggests a history of having provided those benefits in the past, the buyer or receiver of the services, does, nevertheless, calculate the probability that the organization making the promise is likely to keep that promise. The purpose of rhetorical communication in this context is to give the consumer a good reason for believing that the organization can and will keep its word].

[Typically, there is a big gap between what most advertisers say and what consumers tend to believe, due in large part to the history of hype and the legacy of lies that many organizations have visited on the buying public. According to Hall, "Internet-centered offerings face an even greater challenge when it comes to consumer confidence"...and the challenge they face " is not dissimilar to the challenge facing television infomercial merchants"...successful infomercials utilize over half their time communicating Real Reason to Believe].

[In order to overcome this gap, the supplier of services must provide the consumer with a reasonable level of confidence and security through one or more of the following

communicative strategies: (A) Simply tell the truth about the product and explain the process by which it is made or the means through which the benefit will be made manifest, (B) Demonstrate the way the product or service works so customers can see and experience what it will do for them, (C) Explain the successful history of the product so the consumer can know that others have experienced a promised that has been delivered, (D) Provide testimonials from customers who are willing to relate their personal experiences, and (E) Offer a guarantee to remove any risk for purchasing the product or service].

Law #3: Dramatic difference. In this context, Hall insists “offering a dramatic difference gets you noticed, remembered, and acted on by customers.” [It should be evident that being different requires boldness and courage because it entails a leap into the unknown, indicating a strong tilt toward creating new change and a healthy suspicion of conventional approaches. Indeed, the best ideas break the rules of “business as normal,” and, as Hall points out, can seem “crazy” (p. 148). At the same time, organizations who display that courage must insist on the distinction between wise failures and fiasco failures, breaking with the status quo while understanding and respecting its momentum. The organizational leader who does not feel the tension of being tugged at from both ends, and who does not realize that breaking with the status quo, while necessary, is also destabilizing and disruptive to the organization, has likely not acquired the minimum amount of information needed to make a sound decision. Like the jazz musician, the change maker must break the rules, but she must know which rules she is breaking, why they were established, and why they need to be reinvented. Creative



destruction for the sake of creative destruction is not an admirable aim, nor does it rise to the level of innovation].

[Very few organizational leaders seem to understand that a major purpose of “design” is to dramatize this dramatic difference. In other words, design is not, in this context, “emergent,” or a product of history (Weick), rather it constitutes a priori intent--a strategic initiative to change the future with a specific end in mind--an “orchestrated change”].

*A good brand and its story.*

A brand identity makes implied claims about what the organization has done in the past, and makes implied promises about what it will do in the future; each is tied to the other. It is important to understand, however, that the texture of that promise depends, in large part, on the organization’s emphasis with respect to two strategic alternatives: [A] What does the world want from the organization, or [B] How does the organization want to change the world. If the emphasis is on part [A], rhetorical communication constitutes a creative effort to follow the customer’s lead; if the emphasis is on part [B] rhetorical communication serves the task of leading the customer to a new reality. In other words, the creative effort must be informed by a decision about whether the brand will be about *meaning* [sharing the organization’s vision of a new world] or about *marketing* [exerting influence on the world] or a compromise between the two.

In either case, however, what matters most is the brand’s capacity to make emotional connections--to tell a story and keep on telling it--to situate people in a larger experience. Whether the organization chooses to emphasize meaning or marketing, its brand is effective insofar as it is lasting. As Bedbury (2003) explains, brands are “living

concepts that we hold in our minds for years,” because what goes into them is “both logical and emotional” (p. 20). Ulrich, Zenger, and Smallwood (1999) provide a concrete example that sums it up as well as anyone: “The brand for Harley Davidson conveys the experience of the “Rebel Lifestyle.” “What we sell is the ability for a 43-year-old accountant to dress in black leather, ride through small towns and have people be afraid of him” (p. 38).

As indicated earlier, the world is beginning to move from the technological age to the conceptual stage, which means that the new leaders will possess the ability to synthesize facts into emotional connections, brand images, meaning centered communications, and stories. Parkin (2004) cites change analyst Howard Gardner, who argues that leaders achieve through their ability to communicate and embody the stories they relate to other members of the organization. Because stories help individuals understand their role, translated in terms where they are and where they are going, they represent the most effective tool in the leader’s toolbox. Interestingly, as Peters (2003) also points out, the story reaches out to several of the organization’s most important audiences, including employees, vendors, customers, the media, and the banker. One can now more fully appreciate Pink’s earlier point. The future belongs less to the craftsmen and technicians and more to the artists, designers, storytellers, and big picture thinkers.

*A good brand and its strategic design.*

A good story is inextricably linked to a good design. Writing about the substance of style, Postrel (2004) describes a typical design success story:

With its carefully conceived mix of colors and textures, aromas and music, Starbucks is more indicative of our era than the iMAC. It is to the Age of Aesthetics what McDonalds was to the Age of Convenience or Ford was to the Age of Mass Production--the touchstone success story. ‘Every

Starbucks store is carefully designed to enhance the quality of everything the customers see, touch, hear, smell or taste,' writes CEO Howard Schultz." Indeed, describing the point further in his own company's profile, Schultz writes this: "You get more than the finest coffee when you visit a Starbucks--you get great people, first rate music and a comfortable upbeat meeting place. We establish the value of buying a product at Starbucks by our uncompromising quality and by building a personal relationship with each of our customers. Starbucks is rekindling America's love affair with coffee bringing romance and fresh flavor back into the brew. (p. 118)

What one notices about this description is the extent to which it reflects an attempt to satisfy a number of cultural needs in one palpable experience--to conceive a design that synthesizes all the parts into a unified whole--to say a number of things, but to say one important thing.

One notable group of design thinkers who grasp this concept of unity consists of Utterback et al (2006), all of whom collaborated to study design from an international perspective. After much research, they arrived at the following conclusion: "For the design as a whole to be ideal, compromises must be made in the selection or design of components to allow them to connect and work together" (p. 90). As they emphasize to great effect, the designer must always "keep the users experiences and values in mind," making it clear that mere technological improvement will suffice for little as a source for competitive advantage. "That Sony, which outdistanced the competition with its personal music players, failed when confronted with digital music in the form of the Apple iPod, is not the exception but the rule. Three of four firms that lead in the product generation seem to fail to lead in the next, despite that they routinely pioneer new technologies--as Sony did in digital technology." (p. 90).The lesson is clear: The organization must keep the "users experience and values in mind."

*Persuasion and the Art of the Narrative.*

Effective stories must have style, convey meaning, and confirm a design that serves a function or purpose, but the most effective stories create unity through real narratives containing people, events, and life lessons. Chris Gardner, a former stockbroker whose rags to riches story has been heard by over a billion people, once found himself in jail in the company of several suspects accused of violent crimes, including murder, armed robbery, and assault with a deadly weapon. He relates his experience of trying to establish credibility and create the right “image” [and survive] with his cell mates, carefully concealing the fact that he had been arrested for--failing to pay parking tickets. Ironically, his difficulty had been caused by his reckless attempt to maintain the opposite image of a successful stockbroker who had no need to leave important meetings for the trivial purpose of feeding a parking meter. Clearly, there is no better or more powerful way to explain both the importance of image and the price that some are willing to pay for it.

Stories, as professional speaker Patricia Fripp explains, create unity by causing listeners and readers to utter the phrase, “me too.” Among other benefits, the story can create context, provide meaning to facts, and help leaders mobilize a group effort toward a common goal. Pink (2005) describes the process of “organizational storytelling,” which aims to “make organizations aware of the stories that exist within their walls--and then to use those stories” (p. 105). Most important, stories provide “context enriched by emotion, a deeper understanding of how we fit in and why that matters. The Conceptual Age can remind us what has always been true but rarely been acted upon--that we must listen to each other’s stories and that we are each the authors of our own lives” (p. 113).

*American Culture, Politics, Education, and the Problem of Style over Substance.*

While symbols, brands, and designs can send the world a powerful persuasive message about the organization's value, the power of the written and spoken word remains a top priority and will never lose its importance even in a visually oriented society. The culture may well be losing its literary sensibilities, but cultural leaders continue to use language as a means of maintaining power and influence. What does seem to be changing, however, is the quality and texture of the words being used and the rules for what does and does not constitute effective communication. In the political domain, for example, style often matters more than substance. Unlike the specified targets of "marketing physics" and niche psychology, both of which call for the clearest message possible, and which, if transmitted effectively can, in some cases, override visual images and symbols; politicians and cultural leaders do not always transmit clear messages nor do their audiences seem to want them. Unlike the laws of marketing physics, the laws of cultural change and political persuasion often call for some variety of "strategic ambiguity." According to Luntz (2008), the vast majority of Americans do not vote for a candidate based on his/her position on the issues. He writes,

Americans, by and large, decide who to vote for based on the candidates attributes--personality, image, authenticity, vibe. The media is still in denial about this and every time I have advanced the notion at press events that issues don't matter that much, the print reporters who cover politics rush to defend a more intellectual perception of what elections are all about. To them, accepting the fact that image matters more than policy would be accepting the fact that what they learn through their television matters more than what they read in the newspaper. (p. 187)

For better or worse, Americans do not read and, as a rule, do not comprehend the substance behind most of the policy decisions made by their representatives. Indeed, many do not even know who their representatives are--who in some cases cannot even

identify the Vice President of the United States--as comedian Jay Leno had demonstrated in his famous man-in-street discussions. The following statistics from Jackson (2008) highlight the problem:

--1/3 of high school graduates never read another book for the rest of their lives.

--42% of college graduates never read another book after college.

--80% of U.S. families did not buy or read a book last year.

--70% of U.S. adults have not been in a bookstore in the last five years.

On a related point, Luntz (2009) explains that, "even among those who do read, the layout matters almost as much as content. The fewer words on the page, the more likely they are to be read."

*Using the Right Words.*

Although the techniques for political and cultural influence vary somewhat from marketing physics, the basic principles for influence remain the same. As is the case with business enterprises, cultural leaders and politicians, if they seek to influence or persuade audiences, must think less about what they are saying and more about what their listeners are hearing; less about what they are selling, and more about what the buyers are thinking and feeling. In business, the effective communicator *connects dots* for audiences [consumers] by transmitting a credible, overt benefit; in politics, the effective communicator invites audiences [voters] to *connect their own dots* by communicating an image that supports accepted values. On policy matters, the choice of words or phrases can make all the difference, while the overriding context and the current public mood determine the application.

On environmental issues, for example, a carefully crafted message can literally reframe a debate even when no arguments are being presented. As Luntz (2009) points out, changing the words, “Drilling for Oil” to “Exploring for Energy,” and from “Domestic” to “American” can create a radically different communicative environment.

Here’s the problem: “oil drilling” reminds people of Jed Clampett shooting at the ground, conjuring images of liquid black goo gushing into the sky, and “domestic” is too much of a financial accounting term” (p. 168). [Notice also, that, from a marketing perspective, the term “Exploring for energy” is audience centered and it hints at a benefit]. Applying this principle, America’s Oil and Natural Gas Industry now uses the phrase, “working with you to use energy wisely.”

When the discussion shifts to the subject of increased Medicare spending [a perceived benefit to the recipients], it is the way those benefits are described that makes the biggest difference. Luntz (2009) tested the following three messages:

1. Medicare spending would increase from \$178 billion to \$250 billion over six years (the billions to billions approach).
2. Medicare spending would increase by 6.4% percent a year, every year for six years (the “year over year” strategy).
3. Medicare spending would increase from \$4,700 per person per year to \$6,200 per person per year (the personalized approach).

While all three statements were accurate, the personalized approach was far more popular with surveyed audiences. It is also worth noting that applying the technique of “strategic ambiguity,” while effective in building large coalitions among voters from

different backgrounds, does not work very well when trying to explain a specific benefit to a target audience [seniors].

*Avoiding Negatively Charged Phrases.*

As Luntz points out, ineffective political expressions that describe what the seller is saying can and should be supplanted by effective words that resonate with the listeners values. So subtle is the difference that the gap sometimes goes unnoticed, especially among those who have not been trained in the principles of rhetorical communication and the finer points of language. Among the uninitiated, for example, few would likely think that using the word, “free market economy” evokes a positive response while using the word “Capitalism” transmits a negative message. Yet, the former phrase reminds the reader that the organization’s attempt to secure a competitive advantage, constitutes a cultural conflict that normally works in the interest of the consumer, while the latter often creates images of monopolies and cold-hearted magnates accumulating wealth for the sake of wealth, often at the expense of the consumer.

In politics, the capacity to avoid the negative phrase can mark the difference between a successful campaign and one which flounders. One need only consider Luntz’s fine-line distinction between the phrase “foreign trade,” which implies a line of demarcation between the seller and the buyer, and the phrase, “international trade,” which conveys the idea of a world-wide economic system in which all first world nations would likely be encouraged to participate. Even on matters of homeland security [itself a positive phrase calculated to win a sympathetic response], the defining terms can frame the issue decisively. A “wiretap,” for example, is basically the same thing as an



“electronic intercept,” yet the hearers of those two words will often interpret the first term as an invasion of privacy and the second term as a responsible security measure.

As the analyst studies the principles for effective rhetorical communication, then, it becomes evident that the merchant’s brand serves exactly the same purpose as the politician’s slogan--it promises benefits, albeit implicitly, and, equally important, asks the consumer to consider the credibility of the one making the promise. Without the credibility, the promises mean nothing; without the promises, the credibility serves no rhetorical purpose--it may, and does, serve a moral purpose, [we can all use more ethical communicators] but without the tagline, brand, slogan, symbol, or picturesque language, the credible person cannot create change. Rhetorical communication, in the context of innovation, is about making promises and creating change.

*The Ethics of Rhetorical Communication.*

Thus, two ethical questions about the promise of change become apparent. First, if that promise cannot be kept, more important, if the organization’s leaders and employees know that the promise cannot be kept, its brand or slogan constitutes nothing less than a false advertising scheme, demeaning every member of the organization. In this same sense, political rhetoric, insofar as its structure is driven solely by focus groups and insofar as its message is calculated to deceive the listener about the policy-making intentions of the speaker, constitutes nothing less than a public lie. This is unfortunate, because “rhetorical communication,” understood and applied as a tool for changing the world for the better, is, it must be repeated, a noble activity. Everything turns on how the user uses it and why. It is only the insincerity of some politicians, businesspersons, and

activists who are bent on achieving personal power or advancing their agenda at any cost, that have given the art of rhetoric a bad name.

When business leaders engage in deception and fraudulent marketing schemes, they normally lose their credibility and reputation when they are found out. In a competitive market, consumers have other options and can easily choose a more reliable and trustworthy merchant, but not before thousands, sometimes millions of consumers and investors are hurt. By contrast, unethical politicians, through the process of “image restoration,” can save their career in a number of ways. At the outset, they can minimize the impact of the scandal by initiating an expertly-crafted damage control campaign, especially if a friendly press decides to assist them by downplaying the significance of the alleged unethical behavior. Meanwhile, relying on the electorate’s short attention span, they can simply use the power of their office to buy time until the crisis becomes old news.

Second, some forms of innovative communication and persuasion are less about giving people what they want, and more about changing them to want what the organization wants them to want. If this distinction sounds familiar, it should. It is another way of asking whether the organization seeks to *adjust* to the changing reality of the customer’s expressed values or whether it hopes to create a new reality by *changing* the customer’s values. The distinction is important because changing cultural values though public communication is not a morally neutral enterprise. As values change, behaviors change, and not all new behaviors serve the common good. The point is doubly important when those new values are codified into civil laws which allow the state to

punish those who disagree with the values that inform those laws, which is another way of saying that public communication is, indeed, very serious business.

*The Need for Ethical Reform.*

When a culture's most influential leaders care only about their own interests, or those of their constituents, a well-ordered society will eventually become a disordered society. President John F. Kennedy once exhorted U.S. citizens to take the broad view: "Ask not what your country can do for you; ask what you can do for your country." Sadly, many today would laugh at those words and declare them irrelevant, but the message is needed now more than ever. At the moment, the world is laboring under its most severe economic crisis in eighty years, and most of it stemmed from the outrageously unethical and irresponsible behavior of several powerful organizations. When governments, which are supposed to be setting the ground rules for commercial activity, start running the very businesses they are supposed to oversee; when businesses, which are supposed to provide goods and services for the public, start violating the public trust; when special interest groups, who are supposed to support the principle of equal justice for all, ignore the common good, chaos will inevitably result. As Drucker (2005) points out, organizations do not exist for their own sake. He writes, "The organization's goal is a specific contribution to individual and society" (p. 49).

How, then, can organizations be persuaded to assign a high priority to ethical leadership and responsible public communication in the face of short term pressures to take the lower road? In some cases, the pragmatic argument, while appealing to less than the highest motives, can be persuasive. Providing objective evidence that honest

communication and concern for the common good pays dividends, (Lennick and Kiel, 2008), offer the following account:

Researchers from the School of Accountancy and MIS compared the financial performance of 100 companies selected by *Business Ethics* magazine as “Best Corporate Citizens” with the performance of the rest of the S&P 500. Corporate citizenship rankings were based on quantitative measures of corporate service to seven stakeholder groups; stockholders, employees, customers, the community, the environment, overseas stakeholders, and women and minorities. The study found that overall financial performance of the 2001 Best Corporate Citizen companies was significantly better than the rest of the S&P 500. The average performance of the Best Citizens, as measured by the 2001 *Business Week* rankings of total financial performance, was more than 10 percentile points higher than the mean rankings of the rest of the S&P 500. According to *Strategic Finance* magazine, which reported the study, “It casts doubt on the persistent myth that good citizenship tends to lead to additional costs and thus negatively impacts a firm’s financial results. (p. 14)

Of course, the reverse question could also be asked. Why is it that, increasingly, organizations are resorting to deception and misdirection in order to survive in the short term when history shows that ethical behavior would make them stronger, more enduring, and more valuable to society? Consider the current financial crisis, begun by politicians who bullied banks into making bad loans, exacerbated by mortgage companies who became rich by buying off politicians with campaign contributions, and finalized by lazy bankers and rating agencies, who didn’t even inspect their own paper. Consider also the former administration’s incredibly reckless spending and the current administration’s misguided commitment to borrow and spend trillions more on the same policies that brought us to this point. It appears that too many organizations are failing to live up to even the bare minimum ethical requirements for responsible public communication.

*The Importance of Ethical Communication.*

How is it that so many of our public and private organizations have forgotten or dismissed the importance of framing their rhetorical communication in an ethical framework? According to Lennick and Kiel (2008) “More than 70 percent of American consumers have, at some point, punished companies they view as unethical either by avoiding a company’s products or speaking negatively about the company to others.” Further, prospective employees as well as potential consumers are becoming leery about associating themselves with organizations that seem to have a proclivity for engaging in questionable business practices. When organizations become untrustworthy, everyone loses. Indeed, in the midst of a severe economic meltdown, the executive branch of the United States government is now setting the stage for disaster. As of this writing, the U.S. Department of Treasury has printed new money at such a rate that the total amount of dollars available for use has increased from \$800 billion to \$2.3 trillion during the period of October 2008 to July, 2009. Thus, when the economy begins to grow stronger, hyperinflation is assured and it is those in the lower-income brackets or those who have saved for retirement that will be hurt the most. If a nation’s public and private organizations act recklessly, irresponsibly and unethically, that nation cannot survive. All organizational leaders, especially those who communicate with the public on a regular basis, should reflect very carefully on the fact that moral leadership and honest rhetorical communication is the only alternative to political tyranny.

If the institutions of our pluralist society of institutions do not perform in responsible autonomy, we will not have individualism and a society in which there is a chance for people to fulfill themselves. We will, instead, impose on ourselves complete regimentation in which no one will be allowed autonomy. We will have Stalinism rather than participatory democracy, let alone the joyful spontaneity of doing one’s own thing.

Tyranny is the only alternative to strong, performing autonomous institutions.

Tyranny substitutes one absolute boss for the pluralism of competing institutions. It substitutes terror for responsibility. It does indeed do away with the institutions, but only by submerging all of them in the one all-embracing bureaucracy of the *apparat*. It does produce goods and services, though only fitfully, wastefully, at a low level, and at an enormous cost in suffering, humiliation, and frustration. To make our institutions perform responsibly, autonomously, and on a high level of achievement is thus the only safeguard of freedom and dignity in the pluralist society of institutions. Performing, responsible management is the alternative to tyranny and our only protection against it. (Drucker, 1993)

*Political Campaigns, Persuasion, and the Problem of Clarity.*

A political campaign is a “connected series of operations designed to bring about a particular result. It involves planning, strategy, competition, winners, and losers” (Woodward and Denton, 2000). While business leaders must often strive to mobilize a group effort toward a common goal by communicating specific, measurable, and time oriented goals, political campaigns, by virtue of their need to build large coalitions, tend to communicate in more generalized terms. Some analysts, such as Bennett (1977), argue that political candidates’ policy positions should be framed in language that elevates image over substance, insisting that too much specificity is counterproductive. Unlike many business strategists, politicians do not normally try to carve out a niche market. By employing the principle of “issue ambiguity,” office seekers can, by keeping their messages vague, allow voters to project their own wants and needs into those messages and, at the same time, avoid alienating special interest groups (Nimmo, 1970). From this perspective, the change analyst must confront the ethical problem of over-emphasizing the means at the expense of the end.

Indeed, Ellul (1964) held long ago that the emphasis on technological efficiency, understood as the art and science of presenting high impact messages informed by an impersonal cost/benefit calculation, compromises human and social values, prompting politicians to transmit only those messages that serve their interests and withhold those messages that do not. While campaigning is not the same thing as governing, the responsibility for ethical rhetorical communication cannot, in either case, be separated from task of defining the role of the communicator. Are our representatives, as the political analysts define the issue, truly our “representatives” or are they, in fact, our “trustees?” While representatives are duty bound to make decisions that reflect the will of their constituencies, trustees, one gathers, have been “entrusted” with the power to make hard and unpopular decisions on the grounds that they possess inside information and can, we are told, contravene the will of the people.

Further, among the many rhetorical tools at their disposal, these same trustees can use focus groups to identify the wants and needs of their audiences and placate them through the technique of “message gratification,” the art of telling people what they want to hear. As a safeguard against state sponsored propaganda, voters are, at the very least, entitled to know the intentions of their elected leaders. Politicians, even as “trustees,” are morally bound to provide an open and honest account of their proposed policies in a timely way so their constituents can at least know that their representatives disagree with them about what constitutes the right course of action. Under this “transparency” searchlight, those being represented are given the opportunity and necessary information to decide whether or not their representatives are abusing rhetorical communication in order to serve their own selfish interests.

*Public Communication, Social Movements, and the Problem of the Common Good.*

A public communications campaign or social movement may be defined as “one group’s intention to change other groups’ belief or behavior through the communication process and through the use of symbols” (Denton and Woodward, 2000). Unlike political campaigns, however, which discuss pragmatic solutions for time sensitive problems, social movements tend to focus on moral solutions for long term problems, although both approaches often use institutional power to achieve their objectives. Social movements, for example, use consciousness raising, political persuasion, and even the court system as a means for achieving their long term objectives. Because they often make their appeals on behalf of a special interest group, however, leaders of social movements often do not always consider the common good as part of their moral calculus, especially when they are trying to get political leaders to pass legislation on behalf of their cause.

A political right is, after all, a zero sum game. Just as the “right of way” at a four way stop sign allows one driver to proceed and commands another driver to stay in place, a political right always gives power to one group and takes power away from another group. Because people have diverse interests based on economic circumstances, property ownership, occupation, sex, race, and world-view orientation, conflicts are inevitable. Thus, special interest groups, while necessary and desirable in a free society, can also become the warring factions that shake its foundations. That is why leaders of social movements are ethically bound to use the tools of rhetorical communication responsibly, embracing and embodying America’s founding principle, “E pluribus Unum” [diversity in unity].



A well ordered society must be balanced as a rational midpoint between two possible extremes, either of which can destroy the finely tuned constants that allow political freedom to flourish. If unity dominates at the expense of diversity, forcing everyone to act alike, fascism rules; if diversity dominates at the expense of unity, creating a “war of all against all,” anarchy rules. Only when diversity is harmonized through unity can an organization, or a system of organizations, survive. This, then, is the ethical principle on which all rhetorical communication ought to stand. On the one hand, the whole must respect all of the parts: Each person, as a unique individual, should be allowed to express that individuality as protected by the civil rights that diversity claims. On the other hand, the parts must respect the whole: As part of a larger community, every individual is responsible for upholding the principle of the common good. It is only through the principle of unity that diversity and individualized expression can be maintained and protected.

*The Organization's Obligation to Communicate Honestly.*

How, then, can one define the unifying principle that fosters authentic diversity and encourages its legitimate expression? Clearly, it is nothing less than a universal sense of right and wrong, and a non-partisan concern for the common good. As Drucker (1993) made clear, there is no such thing as business ethics. “There is only ethics, that of individual behavior, for prince or pauper, for rich and poor, for the mighty and meek alike. Ethics, in the Judeo Christian tradition, is the affirmation that all men and women are alike creatures--whether the Creator be called God, nature, or society. There is only one ethics, one set of rules of morality, one code, that of individual behavior in which the same rules apply to everyone alike.” Governments, businesses, or special interest groups

are not entitled to choose for themselves their own moral code; they should live by *the* moral code and promote that code faithfully, consistently, and without shame. In the current culture of moral relativism, such an initiative would provide a noble example of solid, authentic leadership, and encourage a positive change in other organizations. According to Taylor (1991), cultural relativism and postmodernism violate basic ethical standards by claiming that morality is cultural or situational. One could take this one step further and acknowledge the fact that postmodernism denies that any such universal moral code exists at all, or if it does, that the human intellect cannot apprehend it. Quite the contrary, the fact that a universal moral code exists is evident enough to all rational people. Do that which is right and avoid that which is wrong and, as the Greek physicians put it 2500 years ago, *Primum non nocere*, “above all, not knowingly to do harm.”

What, then, are the ethical responsibilities inherent in rhetorical communication? First, the organization, by virtue of its participation in a free-speech society and a free-market economy should feel no hesitancy in using all the tools of rhetorical communication to persuade consumers, or as the case may be, voters or social activists, to accept a given proposition, provided, of course, that there is no dishonesty or manipulation involved in the process. Second, the organization, by virtue of being a part of a larger national system of organizations, should assess its mission and its objectives in the light of the common good as well as its own personal sense of advancement, acknowledging as its foundation the universal moral principles that ground all successful enterprises, and emphasizing the point without hesitation or shame.

It should be noted, after all, that not all organizations exist for the noble purpose of serving people or giving them what they want. On the contrary, some organizations

exist for the less noble, sometimes ignoble, purpose of changing people's values so they will want what the organization wants them to want. They seek not to serve, but to be served. History testifies to the many instances in which organizational leaders, in the name of justice and for an ostensibly higher purpose, manipulated millions into accepting unjust causes (Kupelian, 2005). Thus, even when demagogues are moved by ignoble motives to exert negative influences on a culture, they achieve success only by appealing to their listener's sense of justice in the name of a noble cause. Over an extended period of time, through psychological manipulation and spaced repetition, a nation's leaders, cultural and political, can seduce its citizens into accepting unjust beliefs, excusing bad behavior and tolerating outrageously unjust laws. It falls on all organizations, therefore, not only to embrace the principle of ethical rhetorical communication, but also to promote, support, and defend that ethic as a public witness to its nation's citizens.

### SECTION III: TESTING THE MODEL

In this section, I will apply the principles and arguments found in Sections I and II to a specific organizational problem. To be more precise, I propose to analyze the changes in the 2008 presidential campaign from the perspective of the two organized political campaigns that contended for the office of president of the United States. Among other things I will look for the following: [a] information about the external environment; [b] inside information about how decision makers interpret (make sense of) that environment; [c] inside information about what people inside the organization are saying, and how they are getting along, including their internal strategic battles on how to address the external competition [challenge]; [d] how they are responding to and creating change; [e] what seems to be working and not working; [f] why the responses worked or did not work; [g] which change principle, principles do these change responses, initiatives illustrate; and [h] what we can learn from it all.

#### *Rationale*

With respect to those points, it seems that a fast paced environment such as a political campaign lends itself to a practical application of the principle of coping with change from a multi-dimensional perspective. First, we have records and reports describing how each organization interacted with its external environment, which consisted, in large part, of the other camp, the press, and the public. Second, we also have an abundance of information about the intra-organizational communication from both sides and the ways in which it influenced the decision making process, sometimes leading to a competitive advantage, and, at other times, leading to a decided disadvantage. Third, we can, in both cases, describe the new environment that occurred as a result of those

decisions, which, in turn, called for a new round of decisions and, in that sense, a completed, though abbreviated, cycle of organizational change.

Of course, that raises the question about the advisability of doing a forward-looking analysis as opposed to a hindsight analysis. One might argue that I should have ventured into the unknown, found a local organization, applied the model in real time, and provided “executive assistance” in the decision making process. I chose not to do that for the following reason: In order to measure the success or failure of the decision-making strategies employed, it helps to know how the story ends. As opposed to the forward-looking analysis, hindsight makes it relatively easy to analyze the intra-organizational communication that shaped the emerging strategies from both camps, consider the wisdom of ideas left behind, and link the final result with the process that gave rise to it. Further, a retrospective analysis provides an opportunity to compare and contrast the communicative approaches proposed by, and the conflicts defined by, those who embrace a safe, low-risk, change strategy with those who prefer to shake things up. The point of the exercise, after all, is to arrive at a final verdict about which communicative strategies worked or didn’t work and why that was the case.

Like the members of any other organization, strategists in a presidential campaign must initiate an effective response to change in order to win an election. Perhaps more than any other contest in history, the recent contest between Barack Obama and John McCain dramatizes this point as effectively and conclusively as any campaign on record. The following brief account of this decisive moment in history will examine change from a multi-dimensional perspective, analyzing the extent to which each group managed the tension between its adaptive and transformative instincts.

### *Description of Language Codes*

For a quick reference key to this study, the four relevant categories and the communication strategies relevant to each will be abbreviated as follows: Environment creates change, or Quadrant 1= [Q1], organization responds to change, or Quadrant 2= [Q2], Organization creates change, or Quadrant 3 = [Q3], and Organization changes environment, or Quadrant 4 = [Q4], Diagnostic communication = [DG], Rhetorical Communication = [RH], and Dialogical Communication = [DL].

Any code preceded by an “F” indicates a failure to consider a given category or communication strategy. For example: [FDG] means failure to engage in dialogical communication, [FQ3] indicates a failure to consider creative alternatives, and so on. Allusions to informative theoretical principles will appear in parenthesis preceded by an asterisk, such as (\*consistent with Weick’s point, etc.) Normally, this will be expressed as “EP,” which stands for “established principle.” When a code is not abbreviated, it will be placed in italics, as in *diagnostic communication*. Gradually, as the references to categories begin to become repetitive and obvious, the references to [Q1], [Q2], [Q3], and [Q4] will be dropped, since the patterns involved will be evident.

In the end, I will show that Obama won the election because he was more successful at (A) Managing problems and opportunities through *diagnostic communication*, (B) Creating change through effective *rhetorical communication*, and (C) Tempering the latter with the former through *dialogical communication*. I will also argue that if John McCain had considered his communicative and decision making strategies from a multi-dimensional perspective, he would, most likely, have won the election himself.

### *Background.*

Immediately after the 2008 primary elections, Barack Obama enjoyed a single digit lead largely because of the widely held view that a John McCain victory would constitute yet a third term of a George Bush presidency, an unhappy prospect for the vast majority of Americans who wanted Bush out of the White House. In that context, the environment, external to both campaigns, had produced a negative attitude about the status quo due to, among other things, a protracted war and a sluggish economy [Q1].

Both campaigns had diagnosed [DG] the current political climate [Q1] and the perceived strengths and weaknesses of their respective candidates [Q2]. In preparation, each organization established an early strategy for creating a public perception for its nominee based on that analysis. McCain's handlers, eager to capitalize on his military record, concluded that Obama "lacked experience." Thus, McCain assumed his *identity brand* as a "proven leader" [Q3] [Q4]. Obama's advisors, bent on tying McCain to George Bush, concluded that McCain was "stuck in the past." Continuing a theme which had carried over from the primaries, Obama claimed his identity brand [Q3] [Q4] as the "candidate of change" [Rh]. McCain's strategists, adjusting to Obama's charge that he was little more than a Bush clone, reasserted his status as a "maverick," a complement to his alleged communicative style known in sympathetic political circles as the "straight-talk-express."

Ironically, as any biographical analysis will reveal, both men had painted a portrait of themselves which did not fully reflect their respective philosophies about change. Obama, rooted in and the product of old-style Chicago politics, often characterized as the "Daley machine," was hardly the embodiment of change, having

established a record of eliminating all of his opponents from the ballot on technicalities. McCain, for all his talk about independence, was famous for establishing “campaign finance reform,” controversial legislation which protected incumbent politicians from upstart challengers. Neither had sufficiently honored the principle of authenticity, [Q4] which explains why both had difficulty getting positive ratings from independent voters. On the one hand, many of Obama’s supporters preferred him, not because of his proposed policies, of which most were unaware, but because he was the definitive anti-Bush candidate situated conveniently in the anti-Bush party. On the other hand, many of McCain’s supporters accepted him sulkily as the “lesser of two evils,” and few in his own party were very excited about him, least of all the conservatives. Thus, owing to the anti-Bush sentiment, Obama established and, for a while, maintained, a solid lead of almost ten points on the strength of his promise to lead a nation’s people out of the “wilderness.” [What matters most is the candidate’s capacity to transmit images of leadership in the campaign process (Bennett, 1977)].

#### *McCain Chooses Palin.*

Things began to change on August 29, however, when McCain, having realized that voters, desperate for a change in leadership, would reject a “business as usual” approach to politics. As a result, he decided to change the political dynamic [Q1, Q3, Q4]. Having analyzed the strengths and weaknesses of his own party’s roster, [Q2] he decided to take a significant risk [EP: All successful initiatives require some risk]. Surprising his own constituents, and throwing his adversaries into a crisis mode, he chose Alaskan Governor Sarah Palin as his vice-presidential running mate [Q3, Q4]. This bold move enhanced his image as a political “maverick” and hinted that he was moving away



from George Bush and the status quo. [EP: Image often matters more than words]. Palin had, after all, established her own reputation as a reformer by bucking fellow Republicans for their ethical failings and taking heat from her own party. As Luntz (2009) points out, “Americans want accountability,” Thus, she too, was viewed as a maverick, which allowed the McCain-Palin team to take on the role of independent thinkers who would “shake up Washington” [EP: Brand identity].

Further, McCain’s staff timed the move for maximum strategic impact. Just one day earlier, Obama, accepting his party’s nomination, had delivered a stem winder of a speech, and Democrats were preparing to celebrate the triumph. [Message timing is a critical political strategy for gaining a competitive advantage (Rudd, 1986)]. In fact, McCain, and his surprise pick, completely changed the entire political dynamic by moving Obama’s oration off the front page and creating a new change by making their own news, allowing their adversaries no more than twelve hours of optimism. Through a process of diagnostic communication, they defined and analyzed Obama’s potential threat; through a process of rhetorical communication, they created a new change by becoming a threat of their own.

Palin’s pick resulted from an abbreviated, yet spirited, process of *dialogical communication*. Among those who preferred to adjust to the status quo, several of McCain’s constituents preferred well-established organizational men such as Joe Lieberman, Tom Ridge, and Mitt Romney. Lieberman and Ridge were both pro-choice, however, and, if chosen, would surely enrage that party’s pro-life base. Incredibly, Romney, the only real expert in economics, and the only candidate in either party qualified to address the financial crisis, was ruled out because of a possible image

problem: ...“he owned too many houses (three, which meant that between them McCain and Romney would own 10” (Thomas, 2009, p. 122). Also, McCain had a personal disdain for Romney, which dated back to earlier primary battles. Included among the status quo options, Tim Pawlenty, governor of Minnesota was another “safe” choice. Among those who decided against adjusting to change in favor of creating new change, were McCain and two of his more daring advisors as they finally decided on Palin. In the final analysis, they chose risk over safety, but, as a result of considering the arguments from both perspectives through *dialogical* communication, they did, at least, understand the risks. Through the process of *diagnostic* communication, after all, they had discovered and acknowledged Palin’s lack of foreign policy experience. [Q1] [Q2].

At the same time, McCain’s choice for a running mate did, in many respects, constitute what David Axelrod, Obama’s premiere advisor, would later characterize as “message suicide.” As he put it, “McCain had spent the entire month of August trying to persuade voters to choose experience over celebrity, then, in one fell swoop they throw experience out the window, they hitch their wagon to this celebrity they’re creating--and plainly [McCain] didn’t put ‘country first’” (Thomas, 2009, p. 168). Whether McCain was putting “country first” is open to question, but what is not open to question is that, at least in some minds, McCain compromised his message of experience in order to create a new change reality. [EP: Analyzing change from a multi-dimensional perspective requires weighing the impact of creating a new change reality (choosing a running mate who could be a game changer) against the momentum of the status quo (the benefits obtained from choosing an experienced legislator)].

In response, Obama took the high road, publically characterizing McCain's choice as a positive cultural development, while his party countered McCain's bold move by claiming that Palin lacked foreign policy experience and, if elected, would only be a "heartbeat away" from the presidency. [EP: Never go negative when your supporters will do it for you]. Obama was nursing his own image as a "uniter" and was distancing himself from earlier associations with personalities such as Bill Ayers and the Reverend Jeremiah Wright, [Q1], [Q2] both of whom harbored anti-nationalist political views. With the help of a sympathetic press, who refused to investigate his connection with these men, Obama wisely downplayed the associations and used the occasion to re-emphasize his message of "hope and change." [Q4.][EP: "Speak aspirationally."(Luntz, 2009, p. 122)]. [EP: Employ the tactic of "issue ambiguity" so that voters will project their hopes and desires into your message].

*Palin Creates Excitement and Makes a Marginal Difference.*

Prior to the four convention speeches, the presidential race was, according to the Gallup poll, even among registered voters at 45% to 45%. Immediately after the Democratic convention, a USA Today/Gallup poll showed that Obama had moved ahead by a 47% to 43% margin, but immediately after the Republican convention, McCain had not only made up the difference but had taken a four point lead. It is not unusual for candidates to receive a bounce in their standing after their party's convention, but it seemed clear that the Republicans had gained the momentum and that Palin's speech had made the difference. As observers rated the two speeches, 42% found Palin's speech excellent, while only 15% found McCain's speech of the same quality. A week earlier, Obama had received very positive ratings but slightly lower than those for Palin's speech.

In another poll, respondents were asked this: Does having Sarah Palin as his running mate make you more likely to vote for John McCain in November, less likely, or will it not have much effect on your vote? Prior to the speech, 18% said “more likely,” 11% said “less likely,” and 67% said, “no effect.” After the speech, “29% said “more likely,” 21% said “less likely,” and 49% said, “no effect.” A similar question asked if Palin was qualified to serve as president, if necessary. Prior to the speech, 39% said “yes, qualified,” 33% said, “no, not qualified,” and 29% had no opinion. After the speech, 48% said, yes, 33% said no, and 8% said no opinion. In effect, the convention speeches changed a few minds, but the net balance was only a very mild positive for the McCain Palin ticket.

On the other hand, Palin had re-energized a Republican voting base and rejuvenated McCain’s dying campaign. Unlike McCain and Biden, both perceived as unchanging, old-pro hacks, Palin, like Obama, not only *promised* change, she seemed to *personify* change (“You must *be* the message.” Luntz, 2009). At the time of the Republican convention, McCain was desperate for a lifeline that would revive his floundering campaign and the GOP in general, whose brand, thanks to George Bush, had been sullied almost beyond repair. Palin provided McCain’s campaign with a new brand, that is, she projected the image of an everyday hard working “hockey mom” who had risen through the political ranks against the wishes of her own party’s policy makers [Q3], [Q4]. Thomas (2009) reports that prior to her arrival, very few supporters bothered to attend McCain’s speaking events; after her arrival, the number grew to Obama size numbers of 10 to 15,000. It didn’t seem to bother McCain that they were there to see Palin.

Further, Palin's immediate rhetorical message was to characterize her Democratic adversaries as elitist Harvard types who "talk down" to working class voters. Thus, she was contrasting one change image with another change image. Equally, important, Sarah Palin was nothing like George Bush: he was an insider; she was an outsider. Through his association with her, McCain could appear to be less of an insider than he was, and, by implication, less of an extension of Bush [Q1], [Q2,], [Q3], [Q4].

Still, McCain's tendency to shoot first and aim second was providing ammunition for the other side. In mid-September, when the financial crisis broke, McCain tried to reassure his listeners at a Jacksonville rally saying, "The fundamentals of our economy are strong. But these are very, very difficult times...I promise you we will never put America in this position again. We will clean up Wall Street. We will reform America." In most situations, that nuanced comment would have raised no eyebrows, but this was not an ordinary situation.

The Obama camp weighed in immediately. Thomas reports the comments from inside campaign headquarters: "We're grabbing up YouTube, we're driving it everywhere," an aide recalled. "McCain says economy strong" (p. 130). "It's not that I think John McCain doesn't care what's going on in the lives of most Americans," echoed Obama, "I just think that he doesn't know. Why else would he say today, of all days, just a few hours ago, that the fundamentals of our economy are strong? Senator, what economy are you talking about?" Was McCain taken out of context? Of course. Did he say that the economy itself was strong? Not at all. Still, by using that word at the beginning stages of a recession, he permitted his adversaries to define him as being out of touch. Perhaps he could have said that the free-market is a sound system that works as

long as incompetent politicians and greedy businessmen don't disrupt the process. [EP1: It's not what you say, it's what people hear]. [EP2: Your brand must define you and it must *be* you, so that your adversaries (or you competitors) (or the press) cannot redefine you (Luntz, 2009)].

*The Press Chooses Obama.*

In fact, neither McCain nor Palin had given due consideration to the hard partisan stance that the press would take. Goldberg (2009) explains: "The Project of Excellence in Journalism looked at more than 240 stories from forty-eight news outlets during a critical six-week period of the campaign--after the national political conventions in early September through the final presidential debates in mid-October. While only 29% of the quotations, assertions, and innuendos in stories about Obama were negative, nearly twice as many--57% of the references to McCain--were negative."

Goldberg continues: "Deborah Howell, the paper's ombudsman, turned up more pro-Obama bias. Howell reported in the *Post* on November 9, 'especially of his undergraduate years, his start in Chicago and his relationship with Antoin Rezko, who was convicted this year (2008) of influence-peddling in Chicago.' On the *Post's* op-ed page, Howell counted 'fifty-eight clearly negative pieces about McCain, but just thirty-two negative pieces about Obama. There were also thirty two op-ed pieces favoring Obama, but just thirteen favoring McCain'" (p. 18).

Goldberg provides yet another survey from the Center and Public Affairs at George Mason University in Virginia and discovered something called Obama-mania. "Of the 585 network news stories the Center looked at between August 23 and September 30, Obama got 65 percent positive for Obama, 16 percent for McCain. 'For whatever

reason, the media are portraying Barack Obama as a better choice for president than John McCain concluded Robert Lichter, who conducted the study” (p. 19).

As the Republicans' VP choice was being announced, MSNBC, the most anti-McCain outlet of them all, projected a graphic pop-up image on the screen underneath images of McCain and Palin: In big bold letters it read, “BREAKING NEWS: HOW MANY HOUSES WILL PALIN ADD TO THE REPUBLICAN TICKET?” Moving fast forward to election night, the momentum finds Chris Matthews, political commentator from MSNBC saying, after hearing Obama's victory speech, “I felt this thrill going up my leg,” and later, “If you're in [a room] with Obama, you felt the spirit moving.” Jay Leno, no right wing conservative, joked that the Obama people would be holding a victory party at their headquarters: MSNBC! Not to be outdone, Evan Thomas, from whom this study depends on for many of its facts, (and the editor of *Newsweek*) declared, “In a way, Obama's standing above the country--above the world, he's sort of a God.”

Obama himself acknowledged the point at the White House Correspondents' dinner on May 10, 2009. Catching the spirit of the festive occasion, he alluded to his press image as “the Messiah,” quipping, “My next 100 days will be so successful, I will complete them in 72 days. And on the 73<sup>rd</sup> day, I will rest.” Continuing, he summed up his relationship with news reporters: “Most of you covered me; all of you voted for me. Apologies to the Fox [news] table.”

As a matter of basic preparation, McCain's analysts should have applied the principle of diagnostic communication and taken these realities into account: It was their job to know that they had two adversaries, Obama and the press [FQ1]. It was their job to know that Sarah Palin was not yet prepared to face the hostile and loaded questions from

television interviewers--Obama supporters who would pay her back for mocking their guy in her convention speech [FQ2]. Also, from the standpoint of dialogical communication, and in the context of contemplating his infamous “suspended campaign,” it was their job to know that McCain should not undertake such a bold change initiative without fully understanding the status quo--without weighing the risk of doing nothing against the risk of doing the disastrously wrong thing--without crafting a strategic plan with an end in mind.

*McCain Misses a Big Opportunity.*

On September 24<sup>th</sup>, McCain plunged in to his biggest and most disastrous “fiasco failure,” informing the world that he was going to suspend the campaign, suggesting the upcoming presidential debates might possibly have to be put on hold until U.S. leaders could arrive at some kind of solution to the economic crisis. The move itself was risky and bold, to be sure, but it also seemed presumptuous and unnecessarily theatrical. Was he a patriot putting country above politics, or was he a politician looking for a new angle? Either way, it wasn’t so much the initiative itself that compromised his credibility as it was what he later made of the opportunity that he had created. If he had taken a different turn, he might well have won the election. As a prelude to the event, Obama had, as Thomas (2009) describes it, tried to “call McCain that very morning to discuss a joint statement, a kind of let’s-rise-above-politics-declaration endorsing the bail out bill” (p. 132).

McCain, however, decided to go it alone, calling Obama to tell him that he was thinking about suspending his campaign, asking to postpone the first debate so he could go to Washington and join the negotiations. Once McCain had decided to go ahead,



Obama publicly challenged his wisdom, arguing that presidents had to be able to do two things at once, and America needed to hear from the candidates now more than ever.

Thomas provides an additional point: “Scheduled to go on David Letterman that night, McCain cancelled. But instead he gave an interview to Katie Couric of CBS. The late-night comic was merciless, mocking McCain for saying that he was rushing back to Washington when he was actually over in the makeup room at CBS. Letterman portrayed McCain as a doddering old fool whose Metamucil had been spiked” (p. 133).

Worse, McCain’s bizarre follow up completely invalidated the point of causing the disruption in the first place. Was he not the candidate that was supposed to represent real leadership, oppose profligate spending, and “shake up Washington?” Yet, here he was suspending a campaign in order to go with the flow--claiming to differentiate himself with George Bush while saying “amen” to his taxpayer-funded bailout-- promising government reform while refusing to hold the government accountable for its role in the crisis. Even at that, McCain had been given a perfect opportunity to have it both ways and still assume the role of a daring reformer. The Republican congress had proposed a bailout plan in which the banks and financial institutions would pay for their own bailout through a series of loans while the Democrats, and Bush, with Obama’s blessing, were about to pass the burden along to the taxpayers [Q1]. Almost 70 percent of the American public hated the idea of a taxpayer bailout, and the number would undoubtedly have been even higher if more people had been aware of all the options available. According to a CNN poll, 77 percent believed the bailout would benefit those who had caused the financial problems in the first place [Q1].

Granted, the difference between the two proposals was largely cosmetic since dead paper is dead paper and, either way, the solution comes in the form of loans and grants, but the *political* difference between granting loans and purchasing bad debt with tax money is significant. So much so, that if McCain had exploited that difference he could have reframed the campaign debate and assumed the role as champion of the people. [EP: Whoever frames the issue usually wins the debate, (and the vote). In fact, he would have appeared to stand alone and full of conviction on behalf of the American people.

Of course, the truly bold move would have been to simply say that failing institutions should be allowed to fail, an acceptable and responsible proposition supported by many economists. [Q3], [Q4]. Even so, McCain only needed to *appear* to be bold, since he could have argued for a loan-based bailout as opposed to a direct taxpayer bailout, separating himself from his party's elite and his adversary. His rhetorical task, if he had chosen to accept it, would have been to simply stand firm against George Bush's taxpayer bailout plan, allow Obama to support it, and confirm his role as the only true anti-Washington politician--the only real change agent. The presidency was his to take. [EP: Rhetorical communication must be consistent and the message bearer must embody the message (Luntz, 2009)]. In the final analysis, McCain faced a very simple choice: adjust to the status quo or create change; side with Bush and support the bailout or break away and assume his party's leadership; give the presidency to Obama or take it for himself. For better or for worse, McCain chose the former. As Shakespeare wrote, "There is a tide in the affairs of men, which, if taken at the flood, leads to fortune; omitted, all the voyage of their life is bound in shallows and miseries."

*Debates and the Confirmation of Brand Image Psychology.*

While most members of the press had regarded McCain's ride to the rescue as a stunt, and had mocked him accordingly, Obama's campaign staff never really believed that McCain would put off the first debate. As Thomas relates, "McCain never canceled his hotel reservations (or most of his ads) or informed the Commission on Presidential Debates that the candidate would not be attending." [This is a good example diagnostic communication at its best]. When the debates finally got under way, it was McCain who gained the first advantage, winning with short punchy answers (against the advice of his handlers and contrary his personal preferences) while Obama hedged on the question about when human life begins, suggesting that "it was above his pay grade."

Soon, however, Obama settled in and began to focus on his brand image and the theme proposed by his advisers. "In debate prep, Obama's personal advisors repeatedly instructed him: 'Do not get personal. Stay calm and in control. Stay presidential. The voters know you represent change; now you've got to persuade them to see you as president.'" "Command and control: we told him, write it down on your pad when you go in," said Joel Benenson, a pollster who was on the debate-prep team. "Benenson later told a Newsweek reporter that he doubted that Obama took their advice to write it down. The candidate didn't need to: 'He knew that was the mission,' said Benenson.'" (Thomas, 2009, p. 139). [EP: Americans do not usually vote according to a candidate's stand on the issues; they vote based on the candidate's attributes, or as Luntz puts it, "their personality, image, authenticity, and vibe"]. [EP: A comprehensible and persuasive brand image cannot remain comprehensible and persuasive under the strain of multiple themes]. Also, the portrayed image was calculated to counter the prevalent public attitude that

Democrats are less dependable on matters of national security. A “change” candidate, after all, can also be perceived as an “unstable” candidate, especially when going up against a war veteran like McCain, so by the very act of remaining calm and never getting personal, Obama added the perception of stability with the promise of change.

During the debates his resolve would be tested, because McCain often characterized his ideas as “naïve” and “dangerous,” but each time Obama disciplined himself in such a way that, when he responded, he appeared not to be angered or upset, concluding rightly that his non-verbal language would be closely observed. The strategy seemed to work.

Political reporters, who tend to score debates as prize fights, were disappointed. Some decreed that McCain had landed the most punches, racked up the most points. But in the public polls that followed the debate, Obama emerged as the consensus winner. He had been the cool and steady one. McCain had seemed quite subdued at first then a little cranky and peevish at moments. He would not look at Obama despite Lehrer’s admonition to the candidates to directly talk to each other. The overall effect was a role reversal, a flip-flop of predebate expectations; the candidate who looked most ‘presidential’ was Obama. (Thomas, 2009, p. 143)

When questioned about his behavior, McCain reminded his advisors they had told him not to look at Obama, who was famous for looking at his opponents. One of them responded by saying, “We didn’t tell you not to look at him *at all*” (p. 144).

#### *Debate Momentum and Image Management.*

In terms of substance, the candidates continually sought to tie their comments to some element of their brand image. During the second debate for example, Obama tried to associate McCain with Bush’s “failed” policies [confirming a need for the “change” candidate], while McCain polished his image as a “consistent reformer,” [alluding to his

internal battles with the Republican Party]. [EP: It is always a good idea to define your competition if you can get away with it].

The final debate was more of the same except for two interesting highlights. Just two days earlier, an Ohio man name Joe Wurzelbacher, who was soon to be known as “Joe the plumber,” approached Senator Obama and asked him if he “believed in the American Dream.” After fielding several difficult questions, Obama finally indicated that it would be a good thing to take the profits of small business owners and “spread the wealth around” to those with lower incomes. Critics suggested that Obama had let the cat out of the bag, and charged that his tax plan was little more than stealth socialism. McCain alluded to the exchange several times during the debate and, according to the television “dial groups,” the graph lines went straight up while he was making his points. His strongest line, however, occurred as a response to Obama’s repeated attempts to tie him to Bush saying, “Senator Obama, I am not President Bush. If you wanted to run against President Bush, you should have run four years ago.” Still, the cumulative effects of the debates were starting to tell: audiences were reacting favorably to Obama’s demeanor, and that impression became more pronounced as the debates wore on. So, McCain won the battle, but was losing the war and running out of time. In effect, he had no theme to compete with Obama’s message of hope and change. [EP: Political candidates should define themselves by what they are *for* rather than by what they are *against*].

By this point, Obama was playing not to lose, so he took no unnecessary risks. [Q1], [Q2]. Equally important, as Thomas points out, he had been trained to seem “stern and unflinching,” to treat McCain respectfully but to stand up to him. Thomas explains:

McCain's coaches worried about the candidate's undisguised disdain for Obama. McCain dismissed his opponent as grandiose. He found Obama to be affected; he was irked by footage of Obama swaggering along, dangling his coat coolly over his shoulder. For the battered McCain, whose arms were so stiff [from war wounds and torture] that he could not raise them to comb his own hair, Obama's smooth-operator style was pretentious. (Thomas, 2009, p. 145)

[EP" Personal feelings of animosity are often reflected through non-verbal language.]

Ironically, and perhaps because he did hold some personal animus toward Obama, McCain was holding back his most devastating weapon against the advice of his two most important advisors, Mark Salter and Steve Schmitt, neither of whom had forgotten about Jeremiah Wright, Obama's pastor of twenty years. "In their view," writes, Thomas, "McCain had a chance to really hurt Obama by dredging up those videotapes of his long-time pastor crying, 'Goddam America!' But McCain did not want to do anything that smacked of racism" (p. 156). According to Thomas, he was hoping that someone else would be bold enough to make the point for him. In effect, McCain failed to take the needed action, which in this case, was to ask questions that an adoring press would not ask. He should have worried less about the reaction he thought he was going to get and more about framing the issue in the proper way. Goldberg (p. 144) suggests that the question should have been asked this way: "It is fair to say if Jeremiah Wright's sermons had not been made public you would still be worshipping at his church?" This would have been a fair question, and since the journalists were not interested in pursuing it, McCain should have taken that burden upon himself.

Not only did McCain not sufficiently make his case for being president, he failed to engage his listeners at the non-verbal level. Goldberg (2009), after acknowledging that

reckless spending by his own party had done McCain in, concedes that, “McCain also defeated himself.” “Let’s face it,” he continues,

He [McCain] may be a man of great character, but in the United States of Entertainment he just didn’t make a good impression on television. When he was on a split screen with Obama, one of them looked like tomorrow, the other looked like yesterday. And the American people rarely vote for yesterday. .... When Rush Limbaugh and Charles Krauthammer and Bill O’Reilly and Sean Hannity and Dick Morris and the editorial page of the *Wall Street Journal* make the case for McCain better than McCain made it...hey, they guy deserved to lose. (p. 148)

[EP: Effective rhetorical communication cannot normally be delegated.

Politicians (or merchants) must learn to make their own case].

### *Brand Images in Flux.*

While it is fair to say that the candidate’s image and rhetorical messages should faithfully correspond, it isn’t always easy to know how any new effort at rhetorical communication will come off, especially if the listener hears something the messenger is not saying. Thomas points out that the Obama campaign “wanted to reach out to young black men, but in a way that would not antagonize white voters.” Jay-Z, the rap artist had offered to perform in concert for Obama in October, but the campaign was ‘nervous,’ recalled Jim Messina, the campaign chief of staff (p. 163). Soon, however, the rapper and Obama’s advisors worked out an arrangement to the effect that Jay-Z agreed not to make any incendiary remarks or “riff” on the Republican candidates. That was another way of asking him, among other things, to tone down the lyrics in his song, “Blue Magic,” which includes the line, “Push, money over broads, f--- Bush/Chef, guess what I cooked? Made a lot of bread and kept it off the books” (p. 164).

Thomas continues:

At the concert, on Oct 5 in Miami, Jay-Z decided to skip the line about Bush, but the crowd, familiar with the words, roared it out anyway, as giant portraits of Bush and Obama lit up the backdrop. The incident passed largely unnoticed by the media [Perhaps Mr. Thomas means to say that the media refused to report it (Obama's image as a "uniter" does not correspond well with "f---Bush")]-- and the Obama campaign registered 10,000 new voters in Miami. (p. 164)

Still, Obama's strategically ambiguous message of hope and change continued to define the debate. Now that the economic crisis was intensifying, and given that it was perceived as Bush's crisis, the voters were ready for a change now more than ever, so the only real question at this point was, which candidate embodied *real* change? At the same time, Obama had his own negative counter image to deal with. Even with the help of the press, he had secured his own party's nomination only after a hard and bitter struggle with Hillary Clinton, and critics were claiming that he was not good at "closing the sale." While a majority of Americans liked Obama personally, few understood his policies and many that did disapproved of what they knew. McCain had persuaded some that, in spite of his opponents' claims, he was not George Bush's clone, and, if that was the case, perhaps he would be the less risky choice. For one thing, it had not been lost that Obama's tax plans would likely harm U.S. investors by raising the capital gains tax and dividend taxes. For another, Obama lacked foreign policy experience, which is one reason why he had chosen the gaffe-prone Biden as a running mate. In many ways, this was a curious ticket, since Obama, unlike his running mate, was not given to unthinking verbal eruptions. Under normal circumstances, unsupervised loose cannons can seriously damage political campaigns.



Fortunately, for Obama, the press had consciously ignored Biden's multiple faux pas, and in those cases where they were so egregious that they made news anyway, journalists would shrug it off as "Joe being Joe." Goldberg asks the relevant questions:

What if it were Sarah Palin and not Joe Biden, who stood before a cheering crowd of conservatives and said the solution to our economic woes could be summed up in 'a three letter word: jobs'--and then went on to spell the word out loud: 'J-O-B-S.'

Or what if it were Sarah Palin, and not Joe Biden, who said that in 1929 Franklin Roosevelt 'got on the television' to reassure the American people 'when the stock market crashed--even though FDR didn't take office until 1933 and television wasn't introduced to the general public until 1939. How would the mainstream media treat that story? You think that might portray her as a moron? Or worse, a ticking time bomb? The questions, of course, require no answers. (p. 158)

At this point in the campaign, then, Obama was winning but had not yet won; he needed one final burst of rhetorical communication to close the sale. On September 23, his campaign unleashed one of the highest impact ads ever featured on television. Indeed, his campaign characterized it in just that way--Obama's "closing argument." The ad shows a man adjusting the rearview mirror in his vehicle only to see the unpopular President Bush sitting in the back seat. Appearing to be almost ubiquitous, he pops up again in the side mirror. [The economic status quo has thus been symbolically defined in negative terms, and the moving vehicle dramatizes the reality of ongoing change]. Along the way, the driver encounters one road sign after another, each of which is understood to represent current Bush policies: A blue road sign describing tax breaks for 101 million Americans; followed by a green sign describing tax breaks for companies that ship jobs overseas; followed by another sign with McCain's picture associated with tax breaks for big oil; followed by a fourth sign representing the

taxing of health care benefits. [One could seriously question the accuracy and fairness of these signs, but what matters most is the imagery linking McCain to Bush, the undeniable reality of the economic crisis, and the perception that policies endorsed by both men caused it].

In the final picture, McCain and Bush are sitting together in the back seat [symbolic of yesterday], heads almost touching, [symbolic of being of one mind], and smiling [symbolic of being happy with the status quo]. Equally important, the opening picture viewed from the front window, shows the road ahead, representing the country's economic destination; the final picture, which shows the road already traveled from the back window, represents where the country has been and may continue to go unless a new driver takes the wheel. The image is confirmed by the final words, "Look behind you." We can't afford more of the same." [Pictures and symbols normally create more impact than words, but pictures, symbols, and words in concert with a finely-tuned theme create maximum impact].

Still, Obama did not win solely on the basis of McCain's poor strategy for coping with change. Clearly, he has a gift for framing his inspirational messages in ways that provide him with considerable political cover. Moving ahead in time, one need only consider a small part of his post victory oration at Grant Park in which, after having previously promised fundamental change, he downplays expectations: "The road ahead will be long," he said, "Our climb will be steep. We may not get there in one year *or even one term*, but America, I have never been more hopeful than I am tonight that we will get there" [Notice how the message of hope camouflages the appeal for patience]. "There will be setbacks and false starts, but I will always be honest with you about the

challenges we face” [Translation: My predecessor left me with such a mess that I will need two terms to fix the problem, so don’t hold me accountable for any failures until that time].

Equally important, Obama’s team helped him solidify his image through a process of rigorous *dialogical communication*. Lizza (2008) reports that immediately after the primaries, Obama’s image was considerably better defined than McCain’s “even on attributes at the core of McCain’s reputation, such as “stands up to lobbyists and special interests,” “puts partisan politics aside to get things done,” and “tells people what they need to hear, not what they want to hear” (p. 1). Through polling, Obama’s aides discovered that McCain’s reputation as a change agent and independent voice didn’t exist anywhere outside the Washington Beltway. Further, independent voters considered the economy the most important issue, and sent unmistakable signals that they were fed up with Washington, especially George Bush [Q1] [*Diagnostic communication*].

#### *Harkening Back to the Primaries.*

As a prelude to making sound decisions, Dialogical communication facilitates the process by which subunits in the organization challenge the assumptions, perspectives, methods, and conclusions arrived by other subunits, which, as it turns out, often pits those who prefer the status quo against those who prefer revolutionary change--those who stress realities against those who stress possibilities. Thus, inside the Obama circle, there were disputes early on concerning the effectiveness of the change message, especially when Obama’s poll numbers were down. By using an information feedback loop, they had determined that Iowa voters were concerned only about “experience,” a quality that, if emphasized, would have called for a different image management strategy. Since

Clinton appeared to be winning with that theme, the moment of truth had arrived. A decision had to be made: either the Obama campaign would change its rhetorical strategy to counter its experience deficit, or retain and re-emphasize its message of change [which, as it turns out would later be integrated with the message of hope].

Thus, they began by asking the relevant strategic questions, as reported by Lizza (2008): “How can we eliminate Senator Clinton from the decision set as a change agent?” “How can we sharpen the debate about change that will undermine Senator Clinton?” “How can we talk about change in a way that makes Hillary Clinton pay a price for her experience?” “How can we define change in a way that Barack Obama has to be the answer?” Solution (Goal): Characterize Clinton in the following way: “Clinton embodies trench warfare vs. Republicans and is consumed with beating them rather than unifying the country,” and that “she prides herself on working the system, not changing it” (p. 2). [EP: Do not begin the formal planning process by setting goals; begin by asking the right questions in the right order and listening very carefully to the answers].

Once diagnostic communication sharpens the debate, the organization can conceive an appropriate and effective brand image. As Lizza reports, “Obama raised all these issues [change vs. experience] with some delicacy; he framed the choice as ‘calculation’ versus ‘conviction,’ and was careful not to use Clinton’s name. [EP: In order for strategic ambiguity to work, it must be subtle, but it cannot be so vague as to be incomprehensible]. Lizza’s report continues: “We also can’t drive the constants so subtly or obtusely that the press doesn’t write about them and the voters don’t understand what we’re talking about” (p. 2). [Translation: “Calculation,” in this context, is to be understood as a function of doing what one perceives will work within the system;

“Conviction,” in this context, is understood to be a function of doing what one perceives as the ideal solution, in or out of the system].

Lizza continues: “Several Obama aides believe that a crucial moment came after a debate sponsored by YouTube and CNN in July of 2007. During the debate, Obama was asked, ‘Would you be willing to meet separately, without preconditions, during the first year of your Administration, in Washington or anywhere else, with the leaders of Iran, Syria, Venezuela, Cuba, and North Korea, in order to bridge the gap that divides our countries?’ Obama answered simply, ‘I would.’ Hillary Clinton pounced on the remark as hopelessly naïve, and her aides prepared to emphasize what appeared to be a winning argument. Obama’s aides had much the same reaction. ‘We know this is going to be the issue of the day.’ Dan Pfeiffer, recalling a conference call the following morning, said. ‘We have the sense they’re going to come after us on it. And we’re all on the bus trying to figure out how to get out of it, how not to talk about it.’ Obama, who was listening to part of the conversation, took the telephone from an aide and instructed his staff not to back down. According to an aide, Obama said something to the effect of ‘This is ridiculous. We met with Stalin. We met with Mao. The idea that we can’t meet with Ahmadinejad is ridiculous. This is a bunch of Washington-insider conventional wisdom that makes no sense. We should not run from this debate. We should have it’” (p. 3).

[Whether this is wise public policy is debatable, but the strategy of characterizing “preconditions” as a stipulation conceived by Washington insiders reaffirms Obama’s self-definition as an outsider and defined Clinton as an insider, reaffirming his brand image as a change agent].

It was, therefore, a fortunate turn of events that the Obama team, after rigorous dialogical communication concerning the tradeoffs involved, decided early on to discount the importance of Iowa voters and their preference for experience, a strategy that would later be validated by an intensification of the country's economic problems. Since the Obama team had no way of knowing that a failing economy, along with Bush's unpopularity, would become the defining issue of the presidential campaign, their decision to counter Clinton's experience by building their rhetorical argument around the theme of change was, in many ways, the equivalent to a head start against McCain. More to the point, they had redefined the debate in the primaries: Change trumped experience, or, more precisely, it trumped Hillary Clinton's brand of experience and redefined it as "more of the same," changing her main asset into a liability. With the help of sympathetic journalists and broadcasters, who had taken sides for Obama and against Clinton, the "change-trumps-experience" strategy gained traction. Of course, since Obama had no real experience, and since his philosophy for governance was informed by a preference for centralized planning, a point that, if publicized, would have hurt him, he was wise to use the technique of strategic ambiguity and allow his supporters to decide what hope and change might mean for them personally, even though most of them didn't know and cared less about what kind of change he had in mind. All they knew is that Bush must go.

Because of its conflict with and hard-fought victory over the Clinton organization, the Obama organization became more confident about its capacity to create change. To prevail over what Lizza describes as "the most impressive, toughest, most ruthless war room in the world," (p. 3) was to cultivate a new sense of power and influence--to gain a more positive perception of its capacity to create change. If they could prevail over the

most dreaded organization in politics, perhaps they could prevail over any obstacle at all. [EP: On “Sensemaking”--What an organization believes about itself and its environment influences its internal capacity to respond to that environment].

*Obama Campaign Aligns Political Messages with Public Perceptions.*

As a corollary to the principle of action through sensemaking, the effective organization must reconcile its internal dialogue, its reputation, and its behavior with the rhetorical message it hopes to send--indeed, its behavior is part of that rhetorical message. From the very beginning, the Obama campaign had determined that its staffers should keep a low profile and not allow themselves to become newsworthy. According to Lizza, the catchphrase was, “No drama with Obama” (p. 3). The internal message served its purpose; it is much easier to align one’s behavior with a stylistically-conceived, clearly-articulated, four-word policy, than a dry unimaginative list of policy points. [EP1 from Luntz: The sound, texture and alliterating of words matter]. [EP2: How one is perceived to behave is inextricably tied to one’s rhetorical message].

From a strategic perspective, [not ethical] the perception of one’s behavior can matter more than the behavior itself. When Obama decided to opt out of the public financing system, for example, McCain accused him of breaking a promise, which indeed he did. Early in the primary season, Obama had committed to public financing on the condition that McCain would make that same pledge. Having discovered that his rock star image could provide resources far in excess of the public fund limitations, however, he simply decided to change his mind. Through a long spirited process of *dialogical communication*, his aides weighed the potential cost of publicly going back on his word against the benefit of gaining a competitive advantage over his opponent. From

information gained through *diagnostic communication*, they learned that most voters simply don't care much about the issue of fund raising, so they decided to take the money and reframe the issue: Thus, Obama's decision was expressed not in terms of a broken promise but rather in terms of campaign finance reform:

The decision held risks. He had, after all, promised to stay in the system, and his reversal had the potential to damage the reform image that Benenson's polling showed was a vital advantage over McCain. But there were collateral benefits; making the campaign more of a person-to-person enterprise, by keeping it tied to the Internet grass roots. Much of the intimacy that the campaign created with its supporters was driven by its need--its ravenous appetite--for money. (Leeza, Page 5)

What defied comprehension was McCain's decision not to follow Obama and declare himself immune from his own promise given his adversary's broken promise and the added advantage that it provided. In the latter days of the election, Obama was running two to three times as many ads as McCain, many of which were heavily financed through resources that were open to him as a result of abandoning his pledge. One wonders why on earth McCain was keeping a promise that he was no longer morally obliged to honor.

In any case, Obama's decision did not hurt him, sully his image, or compromise his campaign's strategy, which revolved around the idea of making him seem more presidential. His advisors' theory was that independent voters liked Obama, but needed help to visualize him as "Commander-in-Chief." His campaign's rhetorical strategy, as to "build a permission structure," an ongoing plan that would get people more comfortable with the idea that he could be president (Lizza, 2008, p. 6). "There were four major moments in the general election--Obama's trip to the Middle East and Europe, his selection of a running mate, his Convention speech, and the debates--and each was



designed to add another plank to the permission structure.” [EP: Change analysts, if they hope to be successful, should plan with an end in mind, (“apriori intent”) using information feedback to inform them about their progress toward that end and prompt them to change their approach when needed. At the same time, they will be open to the fact that emergent change can, in some circumstances, imply new goals and new organizing patterns even in the absence of explicit apriori intentions and where there is no deliberate orchestration of change]. In this case, however, the Obama team’s intent was to make their candidate seem more plausible as Commander in Chief. They did not merely hope that this end point would emerge spontaneously as the product of an interactive process; they chose to “design” the outcome--to orchestrate the change--to make it happen.

As a complement to their program to sell Obama as a change agent, campaign strategists also looked for ways to show that McCain was just another Washington politician. It had worked with Hillary Clinton, and there seemed no good reason to abandon that strategy. When McCain announced that he might “suspend the campaign” to address the financial crisis, for example, Obama’s team sought to highlight his mistake. They used an information feedback loop to detect real-time changes in the external environment, learning that the public had first interpreted McCain’s initiative as “genuine intent” to solve the crisis and then later decided that it was a “political maneuver.” [Among other things, diagnostic communication seeks to discover how one is being perceived, how one’s competition is being perceived, and, if possible, to detect the attendant positive and negative trends]. Obama’s staffers found that the longer the public

thought about McCain's actions, the more Obama's lead was growing, though there was no way of knowing whether it was due to the crisis itself or McCain's reaction to it.

Lizza reports: "Staffers eagerly soaked up the latest polling, which showed a growing lead for Obama and the conference calls at night only increased their confidence in the candidate. There was some pressure on Obama to come out against the rescue bill, a position that would have been more consistent with the campaign's themes. 'On a purely political calculation, it would have been easy to be against that bill,' Anita Dunn [an Obama aid] said. 'If you look at the polls, right? People were thinking. They made a mess and they're trying to stick you, and they're going to bail out Wall Street. I mean, what would have been easier'" (p. 7).

Indeed, even the Obama campaign recognized that going against a taxpayer bailout would likely serve their interests and increase their advantage. While it may have been the easier road, however, such a policy would have conflicted with Obama's preference for centralized government, as indicated by his brief, but definitive, voting record.

In fact, neither John McCain nor Barack Obama would likely have ever opposed the bailout bill. On the one hand, McCain is a political "moderate," a pragmatist--one who is grounded in no particular political philosophy. One of the reasons that he surprises so many observers is because his pragmatism prompts him to be inconsistent on a wide variety of issues. To put it bluntly, he is all over the map, which means that he is not effective at rhetorical communication. [EP: The rhetorical message must be consistent]. On the other hand, Obama, a political liberal, is solidly grounded in the political philosophy of "spreading the wealth around." Since most Americans do not embrace that

world view, he uses his superior communication skills to emphasize future possibilities as expressed in terms of “hope and change” and, when necessary, to avoid policy details.

In late October, McCain, ran a final ad entitled, “Freedom,” in which he spoke directly to the American people, sharing his plan to build a “stronger America” by growing the economy and cutting waste. He argued that voters would be offered a clear choice and that only he had the experience and leadership to build a strong America. To be sure, he was speaking to his strength, but he was applying it to the wrong theme. Granted, the country wanted a solid leader, but it wanted a change agent even more. During this same period, the Republican National Trust political action committee finally ran an ad attacking Barack Obama for his association with Rev. Jeremiah Wright. Most political observers agreed that this strategy did not have much of an impact--it was too little too late. [EP: Rhetorical communication requires consistency and, in some cases, constancy, especially when it is the kind of message that takes time to sink in to the public consciousness]. Only a slow steady stream of ads from September to Election Day would have achieved the desired effect. Indeed, according to Evan Tracey, who analyzes ads for the Campaign Media Analysis Group, the only significant effect of this failed attempt at strategic public communication was to “satisfy a faction of the Republican Party that felt the campaign had not done enough to raise questions about Obama’s association with Wright.”

*Why it Happened and What it Means.*

While a multiplicity of causes and conditions influence the outcome of any election, political organizations can, in many ways, determine their own fate by managing the change process from a multi-dimensional perspective. By definition, the

process of winning votes is a zero-sum-game; someone will win, and someone will lose. What helps one campaign will hurt the other. It is important, then, for the campaign analysts for both sides to communicate with anyone who can provide them with information and facts, pleasant and unpleasant, about the ways that they are being perceived, since both positive and negative feedback constitute a part of the minimum amount of information needed to communicate effectively and make sound decisions about change.

*The Importance of Strategic Thinking and a Sound Communication Strategy.*

In effect, Obama won the presidency because, through *diagnostic communication*, his supporters detected environmental changes in time to adjust to the new realities; through *rhetorical communication*, they inculcated his brand image in the public consciousness, exploiting his rock-star status; and through *dialogical communication*, they challenged each others' assumptions, conclusions, and recommendations about strategy and decision making. Put simply, they came closer to analyzing and communicating about the total change reality than did their opponents. From a strategic perspective, Obama won the election for several reasons:

(A) Through the practice of effective rhetorical communication, Obama defined himself as a bold change agent and defined McCain as a policy extension of George Bush. [Q3], [Q4]. When, at first, the message failed to resonate, he changed his approach and played it safe, taking no unnecessary chances. Indeed, through diagnostic communication [and a well placed information feedback loop] he found that it would be wiser to play defense during the debates.

(B) Harmonizing his campaign theme to the pivotal audience of “up for grab” voters, those independents who both sides knew would swing the election, he chose to “own the economy” and “maintain an emphasis on changing Washington.” Fortunately for him, the ever worsening economic environment and John McCain cooperated with that goal. Earlier in the year, the morning after he clinched his party’s nomination, the victorious McCain appeared on the steps of the White House arm in arm with President Bush. Apparently motivated by some kind of political death wish, he beamed, “I’m very honored and humbled to have the opportunity to receive the endorsement of the President of the United States, a man for whom I have great admiration, respect and affection.”

(C) By implication, Obama’s aides associated the term “experience” with the status quo, thus redefining the debate, converting his liability into an asset, and compromising his opponent’s brand identity. If they had stated the point outright, that is, if they had explicitly claimed that only someone who lacked experience could create change, the message would likely not have resonated.

(D) McCain [and Hillary Clinton in the Democratic primaries] could not shake off their respective images as Washington insiders, which meant that few voters believed that they would reverse political trends. Interestingly, it was the Washington establishment and the press who had earlier characterized McCain as a “maverick,” rewarding him for all the times he had turned against his own party and supporting him only as long as he was running against, and could eliminate Republicans who were better equipped to compete against Obama in the general election.

(E) In spite of perceptions that he was a Washington insider, McCain had several chances to reassert his brand image by taking bold action at pivotal moments during the

campaign, yet he failed to act on those opportunities. First, he sided with Bush on a taxpayer bailout, forfeiting his chance to redefine both himself and his opponent and, for all practical purposes, giving the election to Obama. Second, he refused to explicitly criticize elements in his own party's platform at the very times when public perception was being formed, almost as if he was protecting his future in the event of a loss, confirming his status as an organizational man. At that historical pivot point, the American public was not yet accepting Obama so much as they were rejecting the Republican brand, which desperately needed redefining. Third, McCain refused to take advantage of Obama's weaknesses, and chose rather to emphasize his own experience, his patriotism, and his war record at a time when voters could not have cared less. If he had sufficiently diagnosed his competitive environment, he would have raised doubts about Obama's agenda, questioned his associations, criticized his voting record, and challenged his character and fitness to be president. Thus, McCain provided Obama with the opportunity to win by default.

(F) In large measure, Obama neutralized questions about his experience by playing defense during the debates. By his seemingly unflappable demeanor and persona, he calmed the fears of many who believed that he was not ready to take on serious responsibilities. True to form, the press helped Obama protect this image and downplay the fact that he had only been a senator for just over a year. Thus, sympathetic journalists and broadcasters came down hard on Sarah Palin when she began to accuse Obama of "palling around" with "domestic terrorists," such as William Ayres, who once planned to bomb the Capital and Pentagon and was quoted the morning of 9-11 as saying that he wished he had set off more bombs. The mainstream media did not dispute the facts but

declared it irrelevant on the grounds that it occurred “long ago.” Through his cool and detached non-verbal behavior, Obama reached independent voters, and, protected by the media, he felt no real pressure to defend himself, thus creating the illusion that he appeared cool under fire when, in fact, there was no fire.

*Post Election Realities and the Future of Political Change Management.*

H. L. Mencken once remarked that the urge to save humanity is always a false front for the urge to rule it. Applying the principle to current events, one could also say the urge to save private institutions is always a false front for the urge to rule them. But it is not the state’s job to rule institutions; it is the state’s job to stop them from cheating and from forming the kinds of monopolies that render fair competition impossible--to keep the organizational environment competitive so that leaders can practice the art and science of change management. Nor is the function of government to decide which businesses, institutions, or corporations should survive; it is the customer’s function. The organization serves the customer, and the government, also an organization, serves all the other organizations that serve the customers. It is only in this predictable environment that the change analyst can take reasonable risks, communicate effectively, maintain the power to make decisions, and be held accountable for the quality of those decisions by those that are affected by them.

As Rahm (2009) has pointed out, the state should referee, not pick sides.

Its job is to set and enforce the rules, but if it is allowed to also become a player, by owning and managing business enterprises, it is unlikely to treat the competing companies fairly, and there will be little check on its own misbehavior .... “The government is now the majority owner of the nation’s biggest automobile manufacturer (General Motors Corp.), the biggest bank (Citigroup Inc.), and the biggest insurance company (American International Group.). The record of government ownership

and/or control of companies in the United States and elsewhere has been one long disaster. (paragraph 2).

[EP: The umpire should not be allowed to own or play on the teams they referee].

President Obama recently said he does not want to run General Motors, yet, that is exactly what he is doing. With the government owning GM, stockholders of and workers at Ford Motor Co. and all the other companies are put at unfair disadvantage, because GM and its financing arm have a lower cost of capital (thanks to the taxpayer) than the privately held and managed competitors. Under government management, GM will probably continue to lose money, and you can bet the referee (the U.S. government) will show favoritism toward GM to keep its losses down versus its private competitors. As a result, taxpayers will be forced to pick up the liabilities, and consumers will have few choices (paragraph 6).

The United States developed a system of checks and balances long ago and with good reason. When government ignores its role as referee and decides to become a player, the system of checks and balances breaks down and everyone loses. The government's proper role as referee applies to all commerce related activities, especially health care, which is but the latest and most potentially disastrous of all proposed government-run enterprises, another object of centralized planning which will surely lead to the most bloated bureaucracy in the country's history. In the spirit of alerting the public, U.S. organizations ought to recognize these problems and, through their efforts at rhetorical communication, strive to restore a fair and competitive environment in which organizational leaders can communicate and make sound decisions about change with the reasonable expectation that all other organizations will be vulnerable to the same problems and eligible for the same opportunities.



## CONCLUSION

Section one of this report was designed to provide a description of the total change reality in an organizational context. According to the general theme, if organizational leaders, formal and informal, can learn to understand and communicate about change in a comprehensive way, that is, from a multidimensional perspective, they can cultivate the capacity to cope with a wide variety of problems and improve all aspects of the communication/decision-making process. By focusing on the four change paradigms, applying the communications triad, and cultivating the capacity for making sound decisions, they can liberate themselves from limitations imposed by fragmented thinking. Through the principles of diagnostic, rhetorical, and dialogical communication, organizations can develop a sound organizational strategy by adapting to change as much as necessary, creating change as much as possible, and managing the tension between these two goals.

Section II of this report was less descriptive and more argumentative. It explored each the four change categories in more detail, analyzing the important change strategies found in each category and subjecting them to a comparison contrast analysis with other competing strategies in that same category. Coping with change is both an art and a science. By applying the principle of diagnostic communication to detect environmental changes and the organization's capacity to cope with them; by applying the principle of rhetorical communication to foster creativity and produce new environmental changes; and, by applying dialogical communication to balance these two strategies, organizational leaders can be confident that they have considered the minimum amount of information necessary to make sound decisions. From this "big picture" analysis, they can learn to

appreciate the wide variety of coping strategies available and the extent to which each is useful only in its limited context.

Section three of this report focused on the task of analyzing the 2008 presidential election from a multi-dimensional perspective. Its function was to analyze the impact that each party's political campaign had on the other and the ways both organizations adjusted to and created change in that context. This case study tested the validity of the model, but only in a limited sense. While change principles found in the political domain often resemble change principles found in profit-centered organizations, every change situation and every decision-making culture is unique. Diagnostic communication identifies both those problems common to all organizations and those which are peculiar to any one of them. To be sure, this political exercise in applying change strategies confirmed the need for communicating about change from a big-picture perspective, but it included only a small number of the many important principles described and argued for in the main report.

Taking the broader view, this thesis reflects the philosophy that organizational change is a relational phenomenon. My organization's internal environment exists, at some level, as part of your organization's external environment; the changes that your organization creates become, on some scale, the changes to which my organization must adapt. To miss this point about four interactive change categories is to misunderstand and become confused about the basic change dynamic. For many, this confusion stems from fragmented or one-dimensional thinking, prompting the decision maker to propose either unrealistically timid or unrealistically bold change initiatives.

There is good news, though, and with it comes the final paradox: It is easier to grasp a four piece puzzle than to make sense out of one piece in isolation. Only in the context of the big picture does the change puzzle become truly comprehensible. By recognizing the pieces of that puzzle, contemplating the relationship between them, and formulating effective change strategies based on that analysis, organizational leaders can extricate themselves from the insular thinking that has become so prevalent in today's organizational milieu. Putting it in the simplest terms possible, the best way to cope with organizational change is to focus on and communicate about the total change reality.

## Appendix A - Diagnostic Communication

Diagnostic communication refers to any interaction that serves to measure and/or interpret the impact of environmental change, identify opportunities/ problems in that context, and compare those facts and interpretations with the corresponding strengths and weaknesses inside the organization. According to the Merriam Webster dictionary, to “diagnose” is to recognize by signs and symptoms, to diagnose a condition, or to analyze the cause or nature of a problem. In this report, the word “diagnosis” refers to the science of recognizing the present and potential “signs and symptoms” of the organization’s opportunities, problems, strengths, and weaknesses. It also involves the task of diagnosing and managing causes. In its functional capacity, diagnostic communication [A] detects in the external environment any and all facts relevant to the organization’s survival and growth potential [B] interprets those facts in terms of opportunities, problems, threats, or trends that the organization must cope with, and [C] identifies the resources, talents, systems, cultures, strengths and weaknesses inside the organization that define its capacity to respond. Diagnostic communication, as the term implies, focuses on asking the right questions in the right order, placing priorities in rank order, and establishing organizational direction. As a communication strategy, it seeks to adapt.

## Appendix B - Rhetorical Communication

Unlike diagnostic communication, which detects the impact of incoming change, rhetorical communication shapes the prospects for outgoing change. Traditionally, effective rhetorical communication has been synonymous with the efforts of one individual or group to present rational arguments and emotional inducements in order to persuade other groups or individuals to believe or act in a certain way. As such, the emphasis was on persuasion. Accordingly, the creative instinct that conceives the message was, to some extent, de-emphasized. In the present context, rhetorical communication refers to the organization's total effort to bring about a specified result, that is, to integrate both the qualities of creativity and the elements of persuasion in order to achieve organizational goals. Just as the orator uses rhetorical strategies to conceive an idea and then influence an audience to accept it, the organization uses rhetorical strategies to conceive an idea, product, or service and then influence or "persuade" the external environment to accept it. Just as an orator uses rhetorical strategies to produce changes in accordance with a pre-existing agenda, the organization uses rhetorical strategies to produce changes in accordance with a pre-existing mission or vision. In other words, rhetorical communication is outcome oriented. As a communication strategy, it seeks to transform.

## Appendix C - Dialogical Communication

For many, the word “dialogue” implies a relational rather than a dialectical understanding of verbal interaction. Those in this camp may hold that dialogue can and should be used to prevent conflict. In this report, it is assumed that conflict is, when properly managed, a healthy and productive organizational practice so long as organizational plans, strategies, and tactics remain the object of criticism and scrutiny. It becomes unhealthy and unproductive when that same process is directed at people and personalities. For our present purposes, Dialogical communication refers chiefly, but not exclusively, to the dialectical interaction between organizational members that tends to stimulate creativity and produce sound decisions. As such, it manages the tension between two competing instincts, the need to adapt, which is expressed through diagnostic communication, and the desire to transform, which is expressed through rhetorical communication. Normally, this process involves conflict. On the one hand, the adaptive instinct tends toward safety, security, and survival, warning the organization to take as few risks as possible. On the other hand, the transformative instinct tends toward adventure, success, and significance, challenging the organization to take as many risks as necessary. To be sure, there are those rare events in which two individuals or groups work together in a spirit of perfect harmony to achieve a common aim-- when “two minds work as one--” when no conflict exists at all. It is a celebratory event when dialogical communication reaches this level of “co-creation.” In principle, Dialogical communication bridges the gap between too much conformity, which can result from diagnostic communication in isolation, and too much non-conformity, which can result from rhetorical communication in isolation. Just as diagnostic communication provides

for an analytical and interpretive account of incoming events, and just as rhetorical communication unleashes the forces of imagination and innovation to shape events on the outside, dialogical communication tempers the demands of the former with the ambitions of the latter. It is the strategic bridge that connects the other two strategies.

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# CURRICULUM VITAE

Stephen L. Bussell

## **Education**

M. A. Applied Communication/Indiana University/Indianapolis, IN

### Educational Accomplishments

- Completed communication coursework with 4.0 GPA
- Specialized in the art and science of strategic decision making
- Developed a new theory and unified model for organizational change
- Presented paper at Central States Communication Association entitled, “Coping  
With Organizational Change: A Multidimensional Perspective”

B.S. Organizational Leadership and Supervision/Purdue University/Indianapolis, IN

### Educational Awards

- Outstanding Student in Supervision Finalist
- Graduate of Distinction

## **Professional Experience**

### Sales/Management/Marketing

Three years experience in organizational sales and formal planning. Skilled at analyzing problems, explaining their meaning in organizational terms, and building a consensus to find innovative solutions. Creative at establishing a positive working environment conducive to high performance behavior.

- Developed a new sales strategy for a Fortune 500 Organization leading to an estimated 15% increase in annual revenue for its business school (ITT Business Institute).

- Conducted indirect labor study for local organization resulting in a savings of \$100,000 (BDP Corporation/United Technologies)
- Lead a sales team to a first place ranking over six other subdivisions (Hendricks Music Co.)

#### Teaching/Training and Development

Seven years experience as teacher/trainer with a track record of motivating students and receiving commendations from school administrators. Especially skilled at simplifying difficult concepts, designing them for a public audience, and making them accessible to those unfamiliar with the subject matter.

- Received high evaluations as instructor in two post-secondary institutions (Pontiac Business Institute and United States Army).
- Conducted seminars on strategic planning for Toastmasters International

#### Special Training

- Skill-development seminar on Management Style conducted by Teleometrics International
- Skill-development seminar on Strategic Planning conducted by Professional Management Institute

#### Personal Accomplishments

- Won State Championship at Toastmasters' International speech contest
- Won State Championship at Toastmasters' International evaluation contest
- Coached speakers to compete in Area, Division, and District contests. Mentored one state champion.