



COS

CENTRE FOR ORGANISATIONAL STUDIES

Foundation José M. de Anzizu

CENTRO DE ESTUDIOS SOBRE LAS ORGANIZACIONES

Fundación José M. de Anzizu

NEWSLETTER N° 2 — November 1989

For those who have not yet heard of COS and who did not receive our first Newsletter, a brief resume:

The CENTRE FOR ORGANISATIONAL STUDIES (COS) is sponsored by the Foundation José M. de Anzizu, a non profit making institution with an international commitment of financial support for training and research projects. Recognising the need for a place where organisational issues could be studied and discussed in a practical and realistic way, and sensitive to the implications for different cultures and disciplines, we worked during 1987 and 1988 towards the formation of COS. It has a specific brief to encourage and develop projects, encounters, conferences and research in the organisational field.

There has been, initially, a heavy emphasis in Barcelona, Spain, largely because that is our starting point geographically. Future developments will, however, be internationally based, in keeping with our fundamental remit.

Please, ask for the First Newsletter if you want additional information on the COS and the Foundation.

EDITORIAL

It is half a year since we produced our first Newsletter—a long time in the life of a new organisation—and quite a lot has happened. We have been delighted by the interest and support of friends and colleagues whose initial responses ranged from the very positive to the curious. We have developed our initial activities as planned and, in the light of our experience and the many comments and suggestions, we are refining and redefining our original ideas.

WHAT HAVE WE BEEN DOING?

* The Round Table on «MERGERS AND ACQUISITIONS: ORGANISATIONAL AND CULTURAL ISSUES» which took place near Barcelona in early June, has absorbed our main effort, both financially and organisationally. With the help of Edgar Schein, from M.I.T., who chaired the meeting, we invited a selected group of managers, consultants and academics (see their names later on in this Newsletter) to discuss the issues raised in the practice of integrating two or more organisations. A Working Document on this topic will be available for distribution in the near future.

* Also in June, in collaboration with IESE, Ed Schein conducted a Seminar on «PROCESS CONSULTATION».

* Several Board members of the COS have had a particular interest in China and have held posts as Visiting Professors to China-Europe Management Institute in Beijing. In May we promoted a conference on «MANAGEMENT IN CHINA» organised in collaboration with ESADE and located on its premises.

* As we comment later on we have started to build up a Library specialising in organisational issues.

IN THE FUTURE?

MERGERS AND ACQUISITIONS will continue to be the subject of main interest for COS during the coming year. In this respect:

The COS Round Table II will concentrate on further discussion of issues relating to the same topic. It will be chaired by Leopold Vansina, Director of the International Institute for Organisational and Social Development and will take place in Leuven, Belgium, in Spring 1990. We will invite a group of managers, academics and consultants with experience in the topic. A publication will be issued afterwards.

* We are preparing, in collaboration with EFMD and under the coordination of Professor Tom Lupton, former Director of Manchester Business School, a plan to encourage and finance the writing of cases on the subject.

* We will participate in Seminars and meetings where organisational issues of mergers, acquisitions and other related «integrations» will be covered. One of these Seminars will take place in Madrid on January 25th and 26th, directed by Jose M. de Anzizu and organised by the Business School EOI with the collaboration of the COS.

* Some of the Board members of COS will—individually—continue to provide consultation to organisations as they undergo the processes involved in acquisitions or mergers.

As we mentioned in our first Newsletter, a Seminar by Warren Bennis on LEADERSHIP is being prepared with EADA, Barcelona, for November 24th.

We would like to thank the following institutions for their help and support in these first steps of the development of COS:

Asociación de Profesionales en Desarrollo de la Organización (APDO), Barcelona.

Escuela de Alta Dirección y Administración (EADA), Barcelona.

Escuela de Organización Industrial (EOI), Madrid.

Escuela Superior de Administración y Dirección de Empresas (ESADE), Barcelona.

European Foundation for Management Development (EFMD), Brussels.

Instituto de Estudios Superiores de la Empresa (IESE), Barcelona.

International Consultants Foundation (ICF), Stockholm.

International Organisation Development Association (IODA), Washington.

Organization Development Institute (ODI), Chesterland, Ohio.

In this Newsletter you will find summaries of the activities so far, as well as other information on COS and other institutions interested in organisational studies.

SUMMARY OF THE ROUND TABLE ON MERGERS AND ACQUISITIONS

June 4, 5 and 6 1989, Caldetes (Barcelona)
by PENNY JONES, Board Member COS (*)

Under the Chairmanship of Edgar Schein, eighteen professionals with different interests in the area of Mergers and Acquisitions met and attempted to discuss the major issues for them in the M&A process. The eighteen consisted of seven different nationalities and all three professional disciplines: managers, consultants and academics. (**)

The meeting was far from easy. We had to overcome ourselves, many of the problems of any merger —different cultural assumptions, biases, interests, expectations, agendas, etc. But it was a very rewarding and unusual experience for all of the participants, as we were able to compare our own approaches with a number of others, many of them based on the practice of real cases.

Two major dimensions emerged:

a) TIME. There was a tendency to consider merger activity either in the time frame up to the formal Merger or Acquisition agreement, or to concentrate on the formal and informal post agreement. It seems unusual for the two frames to be considered as part of a whole.

b) LEVELS OF ANALYSIS. There seemed to be a preference for concern with EITHER macro organisational and strategic issues OR micro level phenomena such as stress, anxiety, intergroup conflict and problems of integration. Again, it seemed difficult to consider both at the same time.

Crossing these dimensions are a number of issues, explored by Ed Schein in his summary of the event to be published as a part of a Working Document:

1. The nature of the core technology underlying the organisations involved, strongly determines the potential success of the merger or acquisition.
2. The psychological reasons for entering mergers and acquisitions are complex, multiple and often concealed until long after the merger or acquisition has been completed.
3. The stages involved in mergers and acquisitions are inherently disjunctive and the outcomes at each stage are, therefore, inherently unpredictable.
4. The levels of stress created by mergers and acquisitions are typically much higher than is usually anticipated, be they individual, group or organisational in manifestation.

(*) A more detailed summary is available with the Working Document on Mergers and Acquisitions to be produced and distributed in the coming months. This document will include the summary of the meeting, an essay by the Chairman, Professor Edgar H. Schein, and a collection of selected papers on the topic. Please, fill in the form if you are interested.

(**) Attendants to the COS Round Table I: Edgar H. Schein, MIT, USA (Chairman); José M. de Anzizu, IESE, Spain; Eduardo Ballarín, IESE, Spain; Ian Barber, Repsol, Spain; Max Boisot, CEMI, China; Alain Forgeot, Forgeot & Weeks, France; Geert Hofstede, University of Limburg, Netherlands; Richard Holmoyd, Reckitt & Colman, UK; Peter Hulscher, Schering AG, Germany; Sonia Innis, Consultant, UK; Penny Jones, Consultant, UK; Thomas Lupton, ex Director of Manchester Business School, UK; Philippe Meyer, IBM, France; Ferry Meijer, AEGON, The Netherlands; José M. Rodríguez, IESE, Barcelona; Sybrén Tijmstra, ICSC University of Twente, The Netherlands; Leopold Vansina, IOD, Belgium. As a «rapporteur», Jane Salk, MIT, USA.

MANAGEMENT IN CHINA: REALITIES AND PERSPECTIVES (*)

Summary of the Conference organised by the COS and ESADE, Barcelona, May 26th, 1989

by GU CHENGYUAN, MBA China-Europe Management Institute, Beijing

On May 26, the COS co-organised a Seminar to discuss this topic together with ESADE, where the meeting took place. It was attended by some sixty people interested in the issue of Chinese management. Mrs. Chen Derong, Co-Dean of CEMI, the training institution sponsored by the European Community in Beijing, and José M. de Anzizu, Professor at IESE and Visiting Professor at CEMI, presented their research in the field, conducted during 1987 and 1986.

José María de Anzizu described the situation which exists in large Chinese enterprises where traditional Confucian values (paternal relationship between superiors and subordinates, predominance of the group over the individual, importance of «face» and relations —«guanxi»—, etc.) coexist with some key socialist principles (mainly the goal of guaranteeing a job for everybody and the development of a high degree of egalitarianism). He explored the increasing complexity for managers when organisations are also currently being exposed to very new and important changes as a result of the economic reforms started in the late seventies and now being implemented in many different areas of the day-to-day life of the firm. In his view, this makes a very difficult job for the General Manager, the more so considering the fact that, in China, the Manager of a unit is seen by the employees, not only as a business boss but also as «a mother and father» —«fu-mu-quan».

Chen Derong explained the reforms initiated by Deng Xiaoping in the late seventies. She focused her presentation on the new «Contract Responsibility System» (CRS) which is being applied in most Chinese organisations including hospitals, universities and other non profit enterprises. She described how CRS aimed at separating the enterprises and their economic role from the Government and its non-economic activities. She compared the CRS with other management approaches used in the West.

An open discussion, coordinated by ESADE's Director General Jaume Filella, was initiated by several Visiting Professors of CEMI: Prof. Thomas Lupton, ex Director of Manchester Business School; Prof. David Parcerisas, Director General of EADA and Prof. Jaume Ribera, from IESE.

(*) NB. This took place before the events in Tiananmen Square on June 6th, 1989.

(**) People may be interested to refer to Ed Schein's two books on Process Consultation: Process Consultation Volumes 1 and 2 in the Addison Wesley series on Organisational Development.

PROCESS CONSULTATION (**)

Summary of Prof. Schein's Seminar at the Business School IESE, Barcelona, June 6th, 1989

by Nuria Chinchilla, Assistant Professor, IESE, Barcelona

This seminar was led by Professor Edgar H. Schein and organised jointly by the COS and IESE, where it took place. It was directed to consultants, academics and managers interested in the topic.

Prof. Schein explored the three roles that a consultant can play when trying to help a client/organisation:

- Provide with information («expert»).
- Give advice («doctor»).
- Facilitate both the diagnosis and its solution («process consultant»).

We all play one of these roles at some time, but the key is to decide when we should try to play one of them and not the others.

The process consultant tries to act as a kind of «sounding board» for the client-manager or organisation, helping to enlarge the frame of reference and open new lines of thought within the client's own mental and emotional process. The consultation is a complex activity requiring patience and mutual respect between client and consultant.

Prof. Schein followed by defining four steps of any process consultation:

- Exploratory questions.
- Further «Why» questions to facilitate diagnosis of the situation.
- Action-oriented questions to help preparation for future decisions.
- Confrontation questions to challenge assumptions and clear the way for implementation of any decisions.

Although process consultation can be successfully practised in many different situations, according to Prof. Schein it is especially useful when dealing with human and cultural problems and in situations where complex or unknown systems are involved.

Prof. Schein's lecture was followed by a long and animated colloquium.

OUR MAILING LIST

We are sending this Newsletter to all individuals and institutions of our initial Mailing List, a total of about two thousand. Our next communication will only be sent to those who asked —or are asking now (see the enclosed bulletin)— to be included. Please, feel free to provide us with names and addresses of other people who might be interested in our activities. Thank you.

LIBRARY

COS has started to develop a Library specialising in organisational issues. The Board of the Foundation has approved a yearly amount for this purpose and has placed emphasis, at the beginning, on periodicals and magazines. Professor Joaquin Tena, of the Autonomus University of Barcelona, is advising.

Our idea is to have the best, specialised magazines in the field of organisational studies and to coordinate this service with other existing libraries in Barcelona.

We plan to offer this and other services to any person or institution related in some way to the COS, but until we develop a network of «sponsors» or «contributors», anyone receiving this Newsletter can visit our facilities and consult, free of charge, the publications we receive.

A list of the periodicals and magazines we receive will appear in our next Newsletter.

For additional information you can phone Ms. Patricia Strachan, tel. 3185476.

AWARDS FOR CASE WRITING ON MERGERS AND ACQUISITIONS

In collaboration with the European Foundation for Management Development (EFMD), the COS will finance during 1990 a number of scholarships for people who plan to write a real case study on Mergers and Acquisitions. We will also give a prize for the two best European cases on this topic.

Professor Thomas Lupton, former Director of Manchester Business School will be coordinating this matter.

If you want additional information, please fill in the slip which is included in this Newsletter.

GENERAL INFORMATION

* The IODA (International Organizational Development Association) 1990 World Conference will take place in Caracas, Venezuela, at the end of October and beginning of November. Other IODA meetings are being planned in The Philippines (1991), Barcelona (September 1992), Canada (1993) and URSS (1994). The COS has agreed to collaborate with EADA and the APDO in the organisation of the 1992 meeting.

* Organizing for Development, a non-profit International Institutional (ODII) has been created to promote and implement systematic approaches to change that would foster the development not only of the organizations but also the larger community of stakeholders involved. ODII's purpose is to promote development by facilitating the creation of new forms of governance of nations, strategic planning in organizations, management of programs and individual leadership. Further information can be obtained by writing to the Secretariat of ODII, 2134 Leroy Place, NW Washington DC 20008.

* The 7th International Conference of SCOS (Standing Conference for Organisational Symbolism) will take place in Saarbrücken, West Germany on June 6, 7 and 8, 1990. The topic will be «The symbolics of Technological Innovation». Further information can be obtained from Prof. Dr. Christian Scholz, Universität des Saarlandes, im Stadtwald, Gebäude 16, D6600 Saarbrücken, West Germany.

* The 5th Workshop of EIASM (European Institute for Advanced Studies in Management) on Strategic Human Resources Management will take place in Leuven on May 8 and 9, 1990. Further information from: Conference Department, EIASM, rue d'Egmont straat 13, B-1050 Brussels.

* The Organization Development Institute (ODI) is preparing their 10th OD World Congress in Budapest, Hungary from 24th to 30th of July, 1990. Further information can be obtained from: ODI, 11234 Walnut Ridge Road, Chesterland, Ohio 44026, USA.

* The 1990 EFMD Annual Conference will take place in Munich from June 10th to 13th with the topic «Implementing Management Development: Dialogue Management in its European Perspective». Further information can be obtained from Mr. Rainer Holzer, EFMD, 40 rue Washington, B-1050 Brussels.

* Argentina will be the venue of the next meeting of the International Consultants Foundation (ICF). The dates, June 10th until 15th, 1990. Additional information from Mr. Ian Lauritzen, Skeppsbron 36, 3, tr, 511130 Stockholm, Sweden.

* The 10th Annual Conference of the Strategic Management Society will be held in Stockholm from 24 till 27 September 1990. The theme of the Conference is «Strategic Bridging».