

Form and Function or People and Process:
Toward a New Theory of Positive Organizational Design

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EXECUTIVE SUMMARY

In this article I present a new theory of organizational design. The article provides a background of the study of positive social science, including the emerging fields of positive psychology and positive organizational scholarship. Predicated on these new studies, I take a position that in the information intensive and global economic environment of the 21st Century, organizational theory must respond with new attempts at conceptualizing organizational design taking this new knowledge into consideration.

The understanding developed from the study of positive psychology and positive organizational behavior informs us of the need to attend to the psychological strengths of organizational constituents. Utilizing this new information leads to a proposed theory of organizational design, which supports and contributes to the twin attributes of motivated, high performing members and authentic leadership, resulting in an organization that contains empowered constituents and broad organizational leadership. The final result is an organizational structure composed of relational networks organized around high quality connections focused on timely and relevant task and information requirements.

The structure is an open loop model, always circling from present structure back to purpose and environment to direct the information flow and subsequent processes, controls, and relationships.

INTRODUCTION

In this paper, I present a new theory for a positive organizational design (POD). The emerging research and commentary on positive psychology, positive organizational behavior, and positive organizational scholarship, indicates that organizational theory and practice may be enhanced through organizational endorsement of positive psychological and social constructs (Seligman & Csikszentmihaly, 2000; Frederickson, 2003; Frederickson, 2003a, Cameron, Dutton & Quinn, 2003; Bernstein, 2003; Luthans, 2002; Luthans, 2002a; Wright, 2003). To date, much of the professional dialogue has explored the individual nature of positive psychology and the effects of positive interpersonal interaction. The emergent task and focus of this paper is to explore whether a new theory of organizational design, which specifically supports these positive elements, may be constructed. I present a bottom-up analysis, beginning with positive psychology and organizational behavior, through positive leadership, to a positive organizational design which reflects the requirements of positive social science as well as those of the emerging information intensive and global environment of the 21st Century.

The foundation of these new efforts in positive social science may be traced to Martin E.P. Seligman, past president of the American Psychological Association, who posited that much of the success of modern psychology had been based on attending to negative psychological factors. In his article with co-author Mihaly Csikszentmihalyi entitled "Positive psychology: An introduction" (2000), Seligman noted little research had been done to date on the most positive elements of human psychology. His challenge to his peers and to those of the social science community was to begin a new focus on

those elements of emotion and behavior that lead to heightened individual and communal quality of life.

Endorsed by the academic communities exploring organizational theory and behavior, Seligman's challenge has crossed disciplines to witness the evolution of a field of inquiry currently known as positive organizational scholarship (POS). Embedded within this inquiry has been a focus by some, most notably Fred Luthans, a former president of the Academy of Management and Professor of Management at the University of Nebraska, on positive organizational behavior (POB). Luthans (2002) derives his model of POB directly from factors involved in positive psychology, including many relevant psychological strengths: confidence, hope, optimism, subjective well-being, and emotional intelligence.

Luthans' choice of emotional intelligence begins to lead the way from POB to positive organizational leadership. Attending to the emotional constructs involved in decision making and social relatedness, Daniel Goleman introduces the concept of emotionally intelligent leadership, noting that frequently a leader's emotions and moods drive the emotions, moods, and behavior of the organizational constituents (2001). Therefore, an essential component of leadership and decision making involves knowing one's own emotional constructs and being able to recognize and guide the effects induced in organizational interactions. Luthans evolves his own theory of POB to a focus of what he terms authentic leadership:

Central to these end-values is a belief that each individual has something positive to contribute to their group. One of the authentic leader's core challenges is to identify these strengths and help direct and build them appropriately. (Luthans, 2003, p. 242)

This commitment to emotional modeling and leadership is supported by research in social psychology, behavioral psychology, and neuropsychology (Goleman, 2001; Hatfield, 1993; Pugh, 2001).

To advance these considerations, I would posit that if positive leadership concerns emotional constructs of decision making and interpersonal interaction, then a significant element of a new theory of POD must necessarily focus on the form and processes of relationships within a given organization. Further, in a global economic environment developing from rich resources in information technology, an organization today must necessarily concern itself with the social and interpersonal issues resulting from the disembodiment of formal structures (Child & McGrath, 2001). Other economic forces such as pressures to speed products and services to market, what I term Speed to Succeed Adaptation (SSA), and knowledge management, require capable and stable relational information flows. Relationships, then, even beyond leadership, become a critical component of organizational success (Weymes, 2003).

In some sense my proposition here for a new theory of Positive Organizational Design will come full circle. Grounded in the personal and interpersonal constructs currently employed in positive psychology, POB, and POS, the theory of Positive Organizational Design will ultimately concern itself with creating a design which fosters, builds, and enhances those positive behaviors and relationships that directly affect the success and sustainability of contemporary and future organizations. We will find, as T.S. Eliot famously wrote in his Four Quartets: "the end of all our exploring will be to arrive where we started and know the place for the first time."

POSITIVE SOCIAL SCIENCE

It is somewhat odd that the field of modern psychology has so concerned itself with what ails the human race. The field has been remarkably successful, however, in alleviating much of the emotional suffering that modern society faces. Barbara Fredrickson (2003) notes that this focus is nonetheless understandable, as negative emotions such as fear, jealousy, and anger are easily differentiated, whereas positive emotions such as joy, contentment, and amusement are much harder to individually distinguish. Positive emotions have been linked to longer life, better health and higher life satisfaction, Frederickson says, and therefore it is worthwhile to take up the difficult task of exploring and understanding them better.

Positive psychology. The adoption of a positively oriented exploration of psychological constructs contains a significant opportunity not just to heal, but to improve the human condition. This viewpoint concerns itself not with fixing what is wrong or damaged, but in building and enhancing strengths and successful psychological strategies and behaviors. For instance, as Seligman and Csikszentmihalyi (2000) report, people with optimistic cognitive attribution styles tend to be more resilient and persevering, have better physical health and have better emotional moods. Certainly these are agreeable conditions. Positive affective and emotional states are also likely to have an ability to "broaden an individual's mind set" (Frederickson, 2003, p. 332) providing an ability for thinking to become "more creative, integrative, flexible and open to information" (p. 333). Notably, we are not all blessed with continuous positive emotions and behavior. Two tracks of research have responded with the notions that a) positive emotional and behavioral traits are learnable (Seligman, 1990) and b) it is

possible to identify existing strengths and enhance them, while working around weaknesses (Buckingham & Coffman, 2001).

Indeed, the earlier noted optimistic attribution style may not be appropriate for all people. Norem & Shaun (1993) discovered that a strategy of defensive pessimism serves to reduce anxiety and increase performance for individuals more likely to methodologically think through various outcomes. In other words, for those individuals who routinely get somewhat anxious about a task at hand and think about various options, it may be more suitable for them to set lower goals to begin with, and then regularly check their progress in relation to their perceived goal. The result here is a positive one: a defensive pessimistic strategy for some individuals serves to create a sense of security and self-efficacy. This strategy is a notably positive one, providing a way for people not naturally optimistic to build confidence, satisfaction, and a reflective understanding of one's own ability.

Many authors in various disciplines have concluded that not only can cognitive strategies be learned, but that humans are in several ways predisposed to learning and developing positive emotions from our environment. In reports of laboratory studies, the cardiac physiology of positively interacting individuals begins to attune as a good conversation develops (Goleman, 2001). Elaine Hatfield's seminal research (Hatfield, Cacioppo & Rapson, 1993) into the correlation between behavioral mimicry and emotional mimicry solidified the notion of "emotional contagion" that Douglas Pugh (2001) used to examine positive outcomes of organizational service encounters. Perhaps due to such contagion, groups working closely together have been noted to significantly share affect and emotion, though positive emotions seem to spread more opportunistically

than negative ones (Goleman, 2001). Positive emotions have also been shown to significantly shorten the cardiovascular recovery from anxiety or stress provoking situations (Frederickson, 2003). It is clear that our bodies not only positively respond to positive affect, but our bodies also respond to both the positive affect of others, and to the positive affect generated from interpersonal interactions.

The exploration of positive psychology continues to evolve, but the early attempts to research and understand these phenomena provide a particularly bright picture. Positive psychological constructs are learnable, transferable, biologically grounded, physiologically beneficial, cognitively expanding, behaviorally demonstrable, and self-reinforcing.

Positive organizational scholarship. The study of POS seeks to extend the theory of positive human relatedness to organizational settings. Kim Cameron, one of the field's foremost supporters from the University of Michigan notes:

At its roots, POS represents a particular way of thinking, a value orientation, a posture toward organizational research. It focuses on the dynamics in organizations that lead to the development of human strength, foster vitality and flourishing in employees, make possible resilience and restoration, and cultivate extraordinary individual and organizational performance. (Bernstein, 2003, p. 1)

POS views organizations as collectives of interrelated individuals and agents. It is the dynamic nature of these relationships that creates the viewpoint of POS. POS is necessarily relational in its approach, as human emotions are intricately intertwined with social relations. Capitalizing on the knowledge of these facts provides an opportunity to influence those relations constructively and deliberately. POS presents a thesis that social relations play a significant role in organizational life, and understands positive psychology to have demonstrated the benefits of positive emotions and human

interaction. Consequently, organizations that embrace positive constructs will develop an organization that is more healthy, more resilient, more purposeful, and ultimately, more successful.

POS directs attention toward the dual organizational challenges of acquiring organizational members with natural strengths that enhance the organization, as well as developing strengths and positive organizational behavior rather than focusing on deficits. An underlying tenet to this approach seems to be "Weakness-fixing prevents failure. Only strength-building leads to success" (Buckingham & Vosburgh, 2001, p. 22). Marcus Buckingham of the Gallup Group provides the results from interviews with thousands of managers in hundreds of companies to suggest that the very best managers, and spend the most time and resources developing and strengthening talented and engaged employees, rather than trying to shore up organizational weaknesses (Buckingham & Coffman, 1999). Some researchers note that providing such a positive, strengths based attention is self-reinforcing and enhancing. Relating her "Broaden and Build" theory of positive emotions to organizations, Barbara Frederickson observes: "The broaden and build theory predicts that a wide range of positive emotions – ranging from pride and joy to contentment and gratitude – create and sustain these dynamic processes to keep individuals and organizations developing and thriving" (2003a, p. 174).

It appears that positive emotions and strengths based attention create a self-supporting environment. To explain this, research indicates that the positive energy derived from positive emotions and interactions seems to have a highly attractive quality to individual organizational members. In describing the phenomena studies have found that "energizing relationships are as common as information ties, suggesting that

energizing relationships are pervasive features of organizational life" (Baker, Cross & Wooten, 2003, p. 336). Some researchers have studied positive network analysis and energizing relationships – relationships where organizational members said they came away from interactions with individuals feeling more energized. This research indicates that positive network ties were prevalent throughout organizations, that the average number of positive, energizing organizational relationships were greater than the average number of de-energizing relationships, and the average number of de-energizing ties is always lower than energizing relational ties, or information ties (Baker et al., 2003). This work suggests that positively oriented behavior and emotions are inter-relationally attractive, and indeed, this makes intuitive sense. People tend to prefer to seek positive experiences and interactions and avoid or limit the number of negative or de-energizing relationships and interactions. This research is more than simply who likes whom, but describes the relational nature and process of positive interaction in organizations. Harnessing this knowledge will be important in the theory of POD.

Positive organizational behavior. Within the field of POS, positive organizational behavior is that most closely linked to positive psychology. In defining POB constructs, Luthans (2002) requires constructs within the scope of exploration to meet a set of formal criteria for inclusion. These constructs should be positive, distinct, measurable, capable of development, and capable of improving organizational performance. In other words, positive behavior must be organizationally identifiable, able to be taught or learned, and impact organizational success. This indicates that POB strives to attain a practical, rather than theoretical use in organizational behavior.

Luthans (2002) names five constructs which, he argues, meet his own inclusion criteria. These are confidence, hope, optimism, subjective well being, and emotional intelligence (2002). At the center of this work, Luthans (2002) writes that POB should lead to positively oriented, talented, motivated, resilient and confident organizational members. Such confidence, or positive efficacy as Luthans refers to it, has been shown to be developed through mastery experiences, positive modeling, positive persuasion, and physiological and psychological arousal (2002). Described as a "best fit" for POB, confidence or positive self efficacy leads to increased commitment to tasks and challenges, higher motivation, and higher persistence (Luthans, 2002a). Hope appears to be a cognitive strategy that relies on successful determined goal seeking, and goal directed planning (2002a). Optimism, in part formed through external interaction, has been shown to increase motivation, provide self-satisfaction, provide higher goals, and increase perseverance (Luthans, 2002, 2002a). In addition, optimists tend to view setbacks as temporary, externally oriented events, while successes are seen as consistent, internally generated events (Seligman, 1990; Luthans, 2002). Subjective well being or happiness may well be deeply related to Frederickson's broaden and build theory. For those emoting happiness, joy or even contentment, "individuals are more easily able to transform themselves and become more creative, resilient, socially connected and physically and mentally healthy" (Wright, 2003, p. 440).

Luthans' last construct, emotional intelligence, refers to the ability of individuals to reflect, utilize and respond to emotional energy and interactions with others in a purposeful way. If positive emotions and behavior are to play an important role in organizational life and functioning, organizational constituents must be able to identify

and purposely direct their own emotions and the relationships they conduct with others. Daniel Goleman's extensive writings on emotional intelligence indicate five components of emotional intelligence in organizational settings: self-awareness, self-regulation, motivation, empathy, and social skill (Goleman, 1998). Goleman's research (1998) indicates that emotional intelligence is related to the physiology of the brain's limbic system, and with appropriate incentive and commitment can be learned. The limbic system controls our emotional lives and behavioral drives. This contrasts with the neocortex of the brain, which is the governor of analysis and logic (1998). Goleman argues that the biology of the brain needs to be re-trained, and that this occurs in motivated individuals who routinely practice skills, receive feedback, and adjust behavior. This classic behaviorist open-loop training pattern induces biological changes in the limbic system. In other words, as the Hatfield's research with emotional contagion shows, when behavior more closely mimics other behavior, emotional mimicry occurs as well (Hatfield, Cacioppo & Rapson, 1993).

An organization interested in utilizing concepts from positive psychology, POS and POB, must necessarily have or develop the appropriate emotional skill and intelligence. The research into emotional intelligence indicates that this construct meets Luthan's criteria of being able to be taught or learned. As we will see in the next section, emotional intelligence plays an important role in organizational leadership when attempting to incorporate the beneficial elements of the positive social science research.

It appears from this review that the positive social sciences have much to offer organizational theorists and practitioners. Do such professionals really need to account for these constructs in their designs and operations? Wright (2003) comments that

traditional rational theoreticians utilize cost-benefits approaches to organizational research, choosing to frame explorations from the standpoint of the primary stakeholders of owners and managers. This commonly taught approach tells business school students that "actions and policies should be evaluated on the basis of the costs and benefits they impose on the organization" (Wright, 2003, p. 438). This follows the traditional economic theory that "an organization's stockholders should be the prime, if not sole, beneficiaries of corporate action" (p. 438). Two questions arise in response to this traditional proposition. First, should organizations be concerned with members as relevant stakeholders? Second, is positive social science relevant to the bottom line of the primary stakeholders?

The first question regards a theoretical or philosophical concern, while the second is a practical one. One potential response would regard positive social science as particularly relevant to the gain of the primary stakeholders, which requires the organization to attend to positive social science and members' stakes. In an effort to make exactly this point, several researchers have begun to explore the relationship of positive social science to primary stakeholder gain (Pugh, 2001; Ozcelik, Langton & Aldrich, 2001; Wunderley, Reddy & Dember, 1998). This important area of research needs to be expanded and replicated, but early research is positive to the concept.

POSITIVE ORGANIZATIONAL LEADERSHIP

Organizations often seek highly motivated, committed, talented, resilient, and goal directed members. It is often the objective of organizational theorists to create a model of organizational design that attempts to elicit these types of traits and behaviors.

There are two predominant organizational factors that typically influence traits and behaviors: organizational leadership and organizational culture.

Authentic leadership. Luthans and Avolio indicate that in times of uncertainty and negativity, society and organizations "turn to leaders for optimism and direction" (2003, p. 241). Certainly the dawning of the 21st Century, with the volatile stock markets, heightened global terrorism, and geopolitical uncertainty, qualifies the current macro environment as negative and uncertain. As organizational members look to leaders for cues as to how to respond to such events, leaders necessarily need to provide a positive framework and outlook. The foundation of POB and that of transformational leadership provide a pathway for leaders to follow to achieve these ends.

"The authentic leader is confident, hopeful, optimistic, resilient, transparent, moral/ethical, future-oriented, and gives priority to developing associates to be leaders" (Luthans & Avolio, 2003. p. 243). In essence, authentic leaders are those that embrace the concepts of POB. At the same time, they encourage others to adopt these behaviors as well. Therefore, authentic leadership is both authentic and transformational. Authentic leadership involves an individual acting from higher-end values rather than self-interested values (Luthans & Avolio, 2003). Since the theory of emotional intelligence tells us that a leader's mood is contagious and spreads throughout the organization (Goleman, 1998), leaders are presented with a unique opportunity to influence and direct the nature of the organization's emotions and outlook. Indeed, the transformational and other-focused nature of the authentic leadership ultimately strives to develop others within the organization who can share this view, and similarly, to continue such development. This movement from hierarchical leadership to a relational network

of "inspirational players" provides a "catalyst that harnesses the values, dreams and aspirations of all members of the organization, thus facilitating the development of harmonious relationships throughout the organization"(Weymes, 2003, p. 331).

In a similar exploration of cognition and emotion in organizations, Ashansky (2002) notes that his work in affective theory, emotional intelligence, and behavioral leader-member exchanges, indicates that positively influenced management is an essential component of organizational behavior. It becomes clear that effective leadership practices emotional intelligence, creates and maintains a positive emotional climate, and models such behavior. Organizational members develop positive attitudes and behaviors when incentive and reward structures reinforce positive climate, when teams are formed in part due to positive emotional attitude, and when leaders seek to train and improve others in emotional intelligence (Ashansky, 2002).

Creating positive culture. As authentic leadership seeks to adopt and extend positive, emotional intelligence throughout an organization such intentional behavior will affect the organizational culture. In somewhat simplistic terms, culture is "the collective beliefs, values, and approaches that are shared among all levels of an organization – or what people do when no one is looking" (Knapp & Yu, 1999, p. 16). POS, POB, and positive organizational leadership all directly attend to such beliefs and values. The power of culture derives from its intimacy; it attends to the individual feelings within an organization (Knapp & Yu, 1999). It therefore seems that POS and POB constructs are particularly well suited to influence corporate culture. As emotions are spread biologically (Goleman, 1998), behaviorally (Hatfield et al., 1993), and socially (Dutton & Heaphy, 2003), culture is directly influenced by the behavior of organizational members.

Leaders modeling POB will tend to spread positive psychology through the organization, and authentic leaders will also encourage the adoption and expansion of such behaviors and emotions. In their work on high quality connections, Dutton and Heaphy (2003) indicate that people feel more alive and healthy with such positive social connections, and that these responses are rooted in brain neurobiology.

The cultural response to positive emotional constructs is self-reinforcing as the benefits, both physiologically and subjectively, bring strengths to an individual. Organizational members seem to seek positive, energizing relationships and limit de-energizing ones (Dutton & Heaphy, 2003; Gittell, 2003). Indeed, the emotional-behavioral power invested in leadership may even supercede cognitive power, as organizational members have been shown to respond more to the emotional facial expressions during leader-member feedback than to the verbal content (Ashansky, 2002). This information, and similar studies indicate that "an organizational chart denotes the hierarchy of an organization; it represents formal responsibilities of individuals, formal relationships between positions and departments, not the way work gets done" (Knapp & Yu, 1999, p. 17).

Contrarian objections. To attend to how work truly gets done must be at the heart of a theory of organizational design. Yet much of the literature on positive psychology, POS, POB, and even culture and relational analysis indicate that these constructs are fluid and imprecise. In a sense, organizational theory has recognized that form and function are easily defined and manipulated variables relating to organizational design. However, much of the recent literature in POS indicates that work is actually completed through the people and processes, leadership, and culture within an organization. Such work may

function separately from the forms and definitions of an organizational chart. In addition, the elements of positive psychology upon which much of this research is based contain some troubling inconsistencies. Norem and Shaun (1993) have shown how defensive pessimistic strategies may work better in some situations for certain individuals, and notes optimistic strategies could be damaging to these people. Nobel Laureate Daniel Kahneman (Lovello & Kahneman, 2003), also notes that strategic optimism routinely exaggerate control and benefits while discounting risks and costs when evaluating decisions, inducing scenarios which lead to failure. One last troubling element regards the nature of learning required for positive psychology. This process is time-intensive, requiring determined practice and commitment. (Seligman, 1990; Goleman, 1998; Buckingham, 1999). Will the development of a positive organizational design necessarily require high resource levels only to leave individuals utilizing wrong strategies that lead to poor decisions? Organizations are understood to be purpose-driven entities. These purposes may or may not include member well being or positive affect. Here I will need to return to the first contrary question regarding whether a positively designed organization will improve the primary stakeholders' purpose. As I proceed to a theory of POD, these questions and inconsistencies will need to be resolved.

POSITIVE ORGANIZATIONAL DESIGN

To this point, I have proceeded with a bottom-up approach to developing a theory of POD. I have explored the insights and benefits of positive psychology, positive organizational scholarship, positive organizational behavior, and positive organizational leadership and culture. The elements of psychological strengths in organizational settings

have been shown to be some of the critical factors influencing the commitment, motivation, task-directedness, resiliency, attitudes, and performance of organizational members. Further, these factors have been shown to be supported by psychological, social, physiological, and neurological research. The task at hand now turns to the need for a theory of organizational design that fosters, supports and builds upon such bio-psycho-social factors.

The emergent fields of POS and POB are largely concerned with individual behavior and emotion in the organizational setting. The new question becomes can an organizational design influence individual psychology? Further, can individual psychology be influenced in a manner consistent with organizational purpose? As organizations are by their nature collectives of individuals (Scott, 2003), the underlying assumption is that the interrelatedness of individuals organized for a common purpose provides a vehicle for the attainment of that purpose. At the heart of such concerns is the very nature and power of human relatedness itself. Therefore, the need for a theory of POD must necessarily address whether human relatedness can influence individual psychology, and further, whether that influence can be purposefully directed. It is the emergent contention in the positive organizational scholarship that human interrelatedness does indeed perform these functions, and it becomes the thesis of this paper that a theory of POD relies upon it.

Environmental influence. It is necessary for this theoretical formulation to find its orientation within the environment in which it will operate. As I propose a theory of design for contemporary and future organizations, what are some of the primary environmental factors that will affect organizations? Certainly the development of an

information technology economy is one of the predominant environmental factors facing organizations of all types. The development of advanced communication technology has created a truly global economic and social environment. Communication technology has also enhanced manufacturing and service technologies to provide shorter service intervals and just-in-time supply chains. Communication technology has reduced time sensitivity, creating asynchronous structures where formally organizations had been bound to synchronous ones. The development of advanced information and communication technology has meant that organizations face increased pressures to move products and services quickly to market. I term this practice Speed to Succeed Adaptation (SSA).

Since the dawning of the 21st Century, and certainly since the September 11th terrorist attacks, the world environment has grown in political, economic, and social complexity and uncertainty. This poses a significant problem for contemporary organizations: "If environments are turbulent, then it is difficult to establish clear and specific objectives around which to design a structure and orient participants... Unstable environments undermine clear and consistent goals, just as they unsettle rigid formalized structures" (Scott, 2003, pp. 306-307). In the face of uncertainty, many organizations will retract, consolidate and defend until the uncertainty passes. This may not be possible in a global environment with lasting complex threats and uncertainty, such as global terrorism.

Organizations today face two opposing pressures. First, organizations seek to fulfill their purpose where the pressures of SSA require constant and fluid strategic response. Second, organizations seek to fulfill their purpose in the face of lingering and complex uncertainty, which tends to inhibit formal structure, adoption of rigid goals, and

organizational expansion. SSA led to a thesis that information technology no longer provides a sustainable competitive advantage (Carr, 2003). As information technology becomes commoditized, strategic advantage is reduced. Technology becomes a strategic necessity instead. Evolving uncertain and complex environments have led to strategic decisions becoming dependent on effective informational flows and communications networks (Oliver, 2002). More than this, the dynamic, fluid nature of the current complex global environment has meant that that organizations must take on organic-like qualities:

The company needs to become a functioning, dynamic organization that can quickly read environmental cues, communicate these cues to the right people, often in remote locations, and react with reflexive speed – just as living organisms do. Strategic instinct can be exercised at the top, but the nerve endings and ability to act must exist throughout the firm. Only then can an organization move at "the speed of instinct – the speed of life." Strategic instinct in biological terms, is the balancing of constancy and change. (Oliver, 2002, p. 2)

These environmental pressures facing organizations today seem inconsistent with highly formalized routine organizational designs. Such hierarchical rational-school designs are poorly suited to adapt to these concurrent pressures. Indeed the very nature of environmental examination and biological perspective indicates that the evolving open systems and natural theorists attune better to such pressures. Specifically, as Oliver argues, organic organizations must by definition be concerned with a sub-goal of survival. This natural theorist view would then indicate that there is value in the prospect of enhancing organizational well being for its own sake. Nonetheless, the current theoretical formulation must account for both SSA and complex and uncertain environments.

Organizational networks and relational coordination. Traditional, hierarchical, positional authority needs to give way to relational authority in response to the dual pressures of SSA and complex environments. With the evolving dependency on information flows and communications technology, contemporary organizations must attend to the interactive requirements of these dependencies. As organizations increasingly use information technology to broaden their reach beyond physical space, and separate organizational output from asset ownership, power necessarily shifts to those with control of key knowledge, information, and relationships (Child & McGrath, 2001). As a result, the internal, external, and boundary spanning relationships create the competitive advantage of SSA. It becomes tremendously important then, for an organization to invest resources in guiding and developing the relational aspects of its operations for competitive advantage. High quality connections between individuals lead to resource and reward exchanges, individual identity formation, psychological growth and development, and formal and informal learning (Dutton & Heaphy, 2003). People engaging in such positive relationships report feeling enlivened and energized (Dutton & Heaphy, 2003; Baker, Cross & Wooten, 2003). Organizations stand to benefit from encouraging relational information networks comprised of such positive interactions.

In her theory of relational coordination, Gittel (2003) suggests that coordination is a relational process, not a mechanistic one.

The theory of relational coordination thus offers a positive organizational scholarship perspective on coordination, arguing that organizations can move from less positive states to more positive states by developing high-quality communication and relationships among their members. (Gittel, 2003, p. 279)

Further, Gittel defines these relationships as being built on shared goals, shared knowledge, and mutual respect. At the heart of these relationships is communication

between organizational constituents. To build such high quality communication Gittel (2003) argues, communication must have four traits: frequency, timeliness, accuracy, and resolution-orientation. Taken from this perspective, organizational routines, managerial roles, and boundary spanning roles should all play a part in facilitating and developing high quality connections. However, as the author notes:

The sensitivity and responsiveness to the needs of the other found in high-quality connections must perhaps be motivated from within, by deep-seated personal desires and qualities, rather than by organizational structures such as supervisory or boundary spanning roles, or routines. (Gittel, 2003, p. 294)

It is my contention that these types of connections do need to be motivated from within. With the understandings of positive psychology and POB, I believe that the nature of the interactions in organizations impart to others exactly this type of motivation. Positive emotional states and behavior, as we have seen, have been shown to possess high levels of transferability between individuals. Organizations intent on developing relational coordination based on high quality connections must attend to the culture and leadership of the organization to provide an organizational setting that encourages, supports, models, and displays the benefits of such connections.

Complexity. Complexity and uncertainty drive human beings and corresponding organizations to contract and defend until the uncertainty passes. Given an environment of lingering uncertainty, plus the broadening and perhaps disembodiment of formal structures (Child & McGrath, 2001), organizations have a need to develop a lasting response to such situations. Essentially, organizations need to be able to apply simple unifying organizational rules, which de-emphasize rigid structure and emphasize informal networks and learning. Arguing for investing in informal learning environments, Cross (2003) states that it is the personal nature of informal learning that is effective. "Workers

are pulled to informal learning; formal learning is pushed at them" (Cross, 2003, p. 19). Differentiating between formal training and informal learning, Cross argues that formal training is focused on fixing what is broken, or building up weak points. Networks supporting informal learning are congruent with the positive thesis of building on strengths.

An additional benefit from de-emphasizing structure is that it forces organizations to look for and build the strengths of inspirational players/leaders throughout the organization. Tom Peters argues that leadership in organizations is about "trying to construct simple, elegant systems that don't take geniuses to execute"(Peters, 1996, p.31). In other words, by building a network system of competent, engaged, inspirational players, organizations obviate the need for irreplaceable top management. If organizations are to de-emphasize structure and create simple, elegant rules and systems, it is imperative that these rules be positively based. The power of attraction for positive emotions will help positive relational power centers evolve or self organize. Along with this development, organizations need to be able to proactively decapitate negative power centers.

In essence, such organizational effort is an attempt to use emotional intelligence to create what Quy Nguyen Huy titles "emotional capability."

At the organizational level, emotional capability refers to an organization's ability to acknowledge, recognize, monitor, discriminate, and attend to its members' emotions, and it is manifested in the organization's norms and routines related to feeling. (Huy, 1999, p. 325)

Emotional capability may be likened to the institutionalization of emotional intelligence.

If an organization is able to institutionalize such skills, then the self organizing that occurs in less structured environments will contain the biological, psychological, and

social constructs of positive psychology and behavior. This evolving movement then is likely to gravitate to positive relational power centers. Emotional capability refers as well to the task of change in organizations, as it has been argued that change programs within organizations must attend to emotional appeals in order to best obtain buy-in from organizational constituents (Fox & Amichai-Hamburger, 2001).

Complexity and uncertainty need not necessarily be feared by an emotionally capable organization comprised of relationally coordinated networks of emotionally intelligent members. Such an organization would engage and encourage high quality connections. In fact, the very nature of these constructs indicates a high adaptability potential, as power will shift throughout the organization to those informational networks most directly in need of power in response to environmental complexity. Decisions and activities will then be directed by those members with the best relevant connections and information.

Organizational design. I will present here a theory of positive organizational design that is provided in schematic form in Appendix A.

Organizational purpose and environment interact and inform the information flow of the organization. As organizations are collectives of interrelated individuals, it is my contention that organizational purpose must also address not merely the functional purpose but an interactive purpose as well. Here I build an expectation for POD, that the premises of positive psychology, POS and POB need to be embedded in the organizational purpose. These top-level interactions influence and direct the information flow. It is then the nature of the information that directs both the organizational processes on the one hand and the organizational control on the other through the

developing relationships. These relationships require both a horizontal structure, and a decentralized authority. These developments contribute to the twin attributes of motivated, high performing members and authentic leadership, resulting in an organization that contains empowered constituents and broad organizational leadership. The final result is an organizational structure composed of relational networks organized around high quality connections and currently relevant task and information requirements. The structure is an open loop model, always circling from present structure back to purpose and environment to direct the information flow and subsequent processes, controls, and relationships.

Why should such a relatively formless design work? The central answer lies in the positive social sciences. If organizational purpose includes positive organizational and relational intentions, and this then transfers to organizational emotional capability, emotional intelligence, positive organizational behavior, leadership and culture, then the self reinforcing nature of these strengths will attract and develop highly committed, resilient, task oriented, creative, motivated organizational members.

CONCLUSIONS AND RECOMMENDATIONS

The positive social science research has indicated that positive affect, emotion and behavior are a elementary force in the development of desired organizational traits such as motivation, resilience, task orientation, commitment, perseverance, optimism, and social relatedness. In addition, the research has indicated that the foundational psychology is both naturally transferable and learnable. It is therefore possible to argue that while organizations may need to expend resources to develop emotional capability,

the lasting organizational traits in organizational members are highly beneficial to the organization. Initial research into the functional benefit to the primary stakeholders indicates that such traits lead to positive work environments, higher levels of financial gain, and better external organizational relationships which correlate with higher financial gain (Ozelick, Langton & Aldrich, 2001; Pugh, 2001; Wunderley, Reddy & Dember, 1998). This argument would attend to the traditional cost-benefit approach.

In this exploration I also raised an additional question about the functional success of some of these positive behavioral constructs. Specifically, not all people are able to employ positive strategies, and some positive strategies such as optimism may lead to erroneous decisions. In the first case, as Norem and Shaun (1993) note, individuals utilizing pessimistic cognitive strategies arrive at a positive state of recognizing self-efficacy. Though the strategy may be at odds with optimistic organizational members, the positive affective experience of successful strategizing leads to higher subjective well being and reduced anxiety. In the latter case, Seligman (1990) notes the need for what he terms "flexible optimism." Lovallo and Kahneman (2003) resolve this quandary by identifying tasks and behavior that benefit from optimism and those that do not; forecasting and goal setting should be done from a realistic perception while motivating organizational members is particularly amenable to optimism. Therefore, I would suggest that there is certainly a place for positive social science in the development and practice of organizing. The bio-psycho-social nature of positive traits leads to lasting strengths that enhance organizational effectiveness and stakeholder gain.

This presentation of a new theory of positive organizational design is a theory of adaptive networks of positive relationships. Here we return to where we started, with the

study of individual behavior and social relatedness. The positive social science research indicates that at the heart of organizations is an ability to model, teach, encourage and develop positive emotion and behavior. Further, it seems that collectives of individuals are particularly well suited biologically, neurologically, socially, and psychologically to transfer such emotion and behavior to others, and to benefit from such emotion and behavior. Critically, these emotional foundations are the true source of organizational motivation and many desirable organizational traits. Developing a positive organizational design requires a different kind of leadership. Leaders need to be emotionally intelligent, emotionally intentional, supportive, encouraging, and focused on individual and collective strength, not weakness. In a facilitating and coaching role, they must be willing to expand the power base within the organization beyond themselves; power needs to be invested in the relational and informational capabilities of the organization.

As individual emotional intelligence is institutionalized to organizational emotional capability, a fundamental organizational shift occurs. Organizations become both more able to adapt and change, and they create an internal competitive capability that is difficult to emulate (Huy, 1999). This fundamental shift aligns well with the previously described need for organizations to face complexity and the competitive challenges of SSA.

Those with a resource-based view of the firm have focused strategic management thinking on an organization's internal capabilities. Sustainability of competitive advantage requires resources that are idiosyncratic and not easily transferable or replicable...It is difficult to imagine an internal capability that is more tacit and idiosyncratic than the emotional energy of loyal members...which represents one of the most poorly understood and underexploited internal capabilities. (Huy, 1999, p.342)

Emotionally capable organizations face complexity honestly and respond with the natural talents and strengths of the organizational members engaged with the complexity. If this sounds difficult to emulate, it is, which leads to its strategic advantage. Each organization's response may be different from that of the next, and this differentiation is the organizational definition of competitiveness. So, not only does POD provide a manner for responding quickly and appropriately to uncertain environments, providing Speed to Succeed Adaptation, the idiosyncratic development of relational coordination within a given organization may well make it more competitive as well.

Recommendations. I have built an argument in this paper in favor of organizations adopting a positive organizational design based on the supposition that positive emotion and behavior lead to primary stakeholder gain. While intuitively this might seem to make sense, the field needs empirical research to definitively make this case. An early attempt comes from Ozcelik, Langton, and Aldrich, (2001) who empirically studied whether the intention to create a positive emotional climate affects or correlates with revenue, strategic and outcome growth. The results indicate that positive emotional climate positively affects company performance in terms of both revenue growth and outcome growth. The controversial finding in this report, however was that positive emotional climate works better to motivate employees than do material rewards, training, and advancement opportunities. These findings may relate to Cross's (2003) argument that formal training is pushed on employees, and tends to try to fix what's broken. Unless reward structures serve to enhance positive emotional aspects of the organization, offering money, training or advancement for its own sake does little to motivate employees. The findings from this study speak directly to the support of a

positive organizational design that fosters, supports and enhances positive emotional affect and behavior. Not only do such practices and design enhance motivation, but they also have a positive impact on the primary stakeholders' interests.

Douglas Pugh (2001) has looked at a different aspect of positive emotion in organizations. Providing an analysis of emotional contagion in service encounters, Pugh was able to demonstrate a positive relationship between a service member's display of positive emotion, and the positive affect of the customer. Pugh notes that customer positive affect relates to higher service quality judgements on the part of the customer, and previous work has shown that higher judgments lead to customer loyalty, repeat business and higher revenues. The uncovered correlation may or may not be causal, Pugh points out, though this line of inquiry certainly warrants further study.

Wunderly, Reddy and Dember (1998) provide an empirical study of optimism and pessimism in business leaders. This study did not look at correlates of organizational success, but sought to define whether leaders' emotions and outlooks affected those of their constituents. The study found a general correlation between leaders and their constituents. In addition, optimism seemed to predict two qualities of leadership that were assessed: "inspiring a shared vision," and "encouraging the heart." It seems that optimists are both task focused and more likely to seek and encourage social support.

From these early empirical studies I would recommend three primary avenues of inquiry to further investigate the advantages and disadvantages of positive organizational design and behavior. The first would be an expansion of Ozcelik, Langton, and Aldrich's work. The field of POS needs to understand better the efficacy of positive social science application in organizations. Further replication of studies relating primary stakeholder

gain or financial performance to positive design and behavior will bolster the argument for the need for a new theory of positive organizational design.

The second area of study regards the nature of self-organizing positive networks. My thesis for a relationally dependent organizational design supposes that the research into the positive social sciences supports self-organizing positive networks. The physiological, psychological, and social nature of positive affect and behavior would seem to support this notion, but little work has been done in organizational settings to elucidate this point. Similarly, further research such as that provided by Pugh and Wunderly's team would begin to show how well positive affect can be directed and transferred throughout an organization. This transferability though documented, has yet to be fully understood in organizational settings.

The last field of inquiry I would suggest would be a broadening of POS theory and research. For instance, could positive affect and behavior, or strengths based initiatives be studied in a larger sociological context? Might there be applications for positive organizational designs in a variety of socially oriented organizations? This question serves to open a related and important point. There may well be limits to the use of POD. It is both conceivable and probable that there are industries or social contexts in which the application of POS and POD would be inappropriate. Could further research indicate where there may be a best-fit for POD, and where to either avoid or minimize it?

Positive organizational scholarship presents a host of new questions and research designs for interested scholars and practitioners. The predominant function of this new field of study, and the new theory of positive organizational design presented here, is to inspire a further dialogue concerning the determinants of organizational success.

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APPENDIX A

Positive organizational design schematic.

