

## Catch Management – ARL in Action

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This chapter provides an account of what took place in different business development projects resulting in new-car models within Volvo Car Corporation (VCC) between 1995-2001. Every new VCC business development project is among the largest overall projects in Sweden with billion dollar budgets. In these projects, a Human Resources Management approach, based on fundamental beliefs about learning, group dynamics and human development, was used. Team and individual development (“soft issues”) were wholly integrated with the ongoing business development project (“a hard reality”).

The soft projects were lead by a Human Resources (HR) manager who had a permanent seat on the management teams of the different projects, officially referred to as Project Management Groups (PMGs). Along with the actions taken by the HR manager, who adopted the role of an internal learning coach in the PMGs, the soft development project also relied on an external learning coach as well as a researcher from the nearby university.

This chapter gives voice to all three of them explaining their roles and views on the approach itself, as well as the inner meaning of Catch Management, which can be seen as an approach that seizes opportunities for learning while running daily operations. The authors express their mutual views in the first and last sections of this chapter. The middle ones are written by the individual authors.

FOCUSING ON THE SOFT ISSUES IN A HARD REALITY

*The automotive industry*

The automotive industry has come to be something of the backbone of industry in general. Influential theorists, like Peter Drucker, have labeled it “the industry of industries”<sup>1</sup>, which highlights the significance of automobiles and the business of producing them for past and present society.

The automotive industry, and especially that of motor cars, has been around for a century. It is considered to be a mature business today, characterized by a vast overproduction capacity and fierce competition. Mass producers of cars are finding it increasingly difficult to make a profit on their standard products, so there is a feverish search for niches and special car segments that still offer profitable margins for the car companies.

As in other industrial sectors there has also been a focal shift from manufacturing to development and marketing of products and services. One important drive behind such a development is for increased productivity in factories. It is not unusual nowadays for manufacturing companies to employ more white- than blue-collar workers. Product development and marketing have steadily grown in importance and in their share of the total cost of putting a new product on the market. The increasing cost of product and business development has been, and continues to be, one of the main reasons for the mergers and acquisitions in the industry. Two examples are the Swedish car manufacturers, SAAB Automobiles and Volvo Car Corporation, which are currently owned by American companies.

*An industry of collaborations, mergers and acquisitions*

The phenomena of mergers and acquisitions are not recent ones in the automotive industry. For decades, car producers have developed joint ventures and other types of collaboration. For a long time, Volvo Car Corporation has been regarded as being too small to be totally on its own, and the company had a number of different partners before being bought by Ford Motor Company in 1999. One of the more spectacular

advances was between Volvo and Renault, which resulted in a very active alliance in 1990 with a full merger proposed later in 1993. The merger (or French takeover, as some saw it) never took place, but up until the decision to halt it, and consequently to dissolve the alliance, the two companies had totally joint plans for new cars. So, when the Renault deal fell through on December 3, 1993, VCC was without a plan for future products. This was quite serious since the development process for new cars takes several years. Two years of valuable development time was lost due to the collapse of the Renault collaboration.

*Terminated merger plans fueled development activities at VCC*

Since the breakdown of the Renault collaboration was greatly desired by many people within VCC during the ongoing alliance, the news of the parting from Renault served as ignition and inspiration for reforming the development process. VCC presented the all-new car model S80 in May 1998. With the Volvo S80, VCC made company history in cutting development time drastically. The two lost years were fully compensated for by the shortened development process that sprang out of the collapse of the French merger. The development time required for the S80 project immediately became the new benchmark, and a new target to beat in the coming new-car projects within VCC. Consequently, a new set of demands was targeted for every part of the development process. The previous time margins, which could be used for correcting mistakes, decreased sharply.

*New level of expectations in R&D emphasized HR activities*

The establishment of a new level of expectations can be seen as a direct cause of the increased need for HR activities in the new-car PMGs. Hans Wikman, Business Project Director in charge of Volvo S80 (1994 – 1998) and of the first ever SUV<sup>2</sup> from VCC (the XC 90, 1999 – 2002), has frequently stated that 20% of all efforts in business development concerns technical, financial or other “hard issues” (in a broad sense) and the remaining 80% are all about people dealing with other people to get the job done, often called “soft issues”.

Lars-Göran Järvung is a person carrying a vision of Human Resources related activities interwoven with the core processes of the company. He had been working with personnel, organizational and leadership development within VCC for several years, and was at the time (1995) involved in business and product development. Lars-Göran was striving for a type of on-line function integrated with the “customers” of HR rather than from a conventional, offstage position in the HR staff. He was the first HR manager within VCC employed to engage HR work in the actual PMGs of the development organization by being a part of them himself.

### *HR in three different roles – three statements*

What follows is the individual accounts of the three participating contributors: the HR manager and internal learning coach, Lars-Göran Järvung, the external learning coach, Anders Lindberg from MiL, and the researcher, Mikael Wickelgren from Göteborg University. Lars-Göran has been engaged in Catch Management activities for 6 years. In the beginning, he was closely supported by Anders. Cooperation with Göteborg University started in 1997.

## SEIZING THE OPPORTUNITIES TO LEARN – CATCH MANAGEMENT

### *Lars-Göran Järvung*

Human Resource departments normally have two main tasks: to serve the organization with administrative support in personnel-related matters (primarily a reactive task) and to support the organization with development-related issues (a more active approach). To this can be added the role of strategic partner in the core business processes of the company, providing vital HR aspects of the strategic position of the entire organization (a proactive approach).

The HR department is usually contacted when someone experiences problems of some kind somewhere in the organization. To guide and help

people handle these problems, whether it is about misbehavior, abuse or, less dramatically, technical matters regarding hiring procedures, are all necessary and good things to do. It is important to recognize and respect these fundamental HR tasks, although reactive in nature, since they also serve as a platform for HR people to engage in more active tasks. But if the HR staff members become almost entirely involved in reactive support issues, those of a more active and proactive nature will suffer. There needs to be a better balance between reactive and the more active/proactive efforts in HR today. The former still carry too much weight among the everyday assignments of many HR people.

I have sought opportunities to devote my time to the more active and proactive issues of HR. That is hardly unique. What perhaps is more unusual is to conduct active and proactive HR activities in an on-line situation with a stand-by readiness to seize any opportunity to interact as an HR manager with the people or the group that is subject to the development activities. By tradition, HR work aiming at development is usually conducted in preplanned programs. The participants most often are individuals in the organization identified as potential candidates for promotion. To send them away to an external or internal development program is uncontroversial and expected. For the new-car Project Management Groups at VCC, we tried hard to create company customized team development programs the way they usually are conducted, but we failed. The PMGs did not accept the amount of time away from the project tasks that such team development programs would involve. We had to offer them something else. So, if Mohammed would not go to the mountain, why not bring the mountain to Mohammed?

I have been able to work almost entirely on development-related issues directly in hands-on situations in the business and product development organization of my company for about six years, starting in 1995. This opportunity was not altogether assigned to me; it was partly taken (due to my own conviction and goals), partly supported by some people and partly counteracted by others. However, in spite of the resistance, the idea of working with individual and team development intertwined in the ordinary work of project managers performing their everyday tasks was finally achieved after some years of hard work. But before going into the details of what was done, I would like to emphasize the need

for a foundation of values and beliefs upon which to build HR development activities.

### *The ideological/theoretical foundation of Catch Management*

In any effort to change and develop an organization or parts thereof, there has to be fundamental ideas of what one wants to accomplish. It is important to know one's own convictions concerning core issues such as how people learn and communicate and how the company ideally might be organized. Such beliefs might or might not exist on paper, but they will surely be needed in the minds of the people working with these tasks. I will describe some of the most important beliefs guiding my development-oriented work in the new-car projects described in this chapter.

### *Working with groups is working with people*

Working with project groups is all about working with people, especially in learning and communication. The groups in our cases consisted of about 15-20 people. All were highly skilled and motivated professionals with different backgrounds and from different parts of the company. Traditionally, there are a lot of built-in conflicts among project managers. Tensions and conflicting short-term goals between engineers, marketing people, designers and the financial project managers are always threatening to make the project troublesome. These conflicts reflect the fact that every endeavor to develop and produce a product is bordered with compromises. To work with team development in such an environment is indeed a complex task, but the potential offspring of such development activities surely makes it worthwhile.

### *Questions that challenge perspectives*

I strongly believe in finding ways of challenging people's preexisting notions about what the requirements and conditions actually are in business development, especially if there are a lot of traditions interlinked with these convictions. The biggest obstacles for finding new and more efficient ways of working are not technical in a broad sense. They are to be found in our minds as presumptions and the inability to see things from different perspectives. Intervention in ongoing meetings where

these potential conflicts arise is an effective way of learning to see a perceived problem from the eyes of others. By intervening in an ongoing discussion between people, using a set of questions that challenge perspectives, one can facilitate new loops of learning for the participants. An intervention is also a way of challenging conventional patterns of communication between people.

*Shared responsibility and co-leadership*

We need to further develop the idea of sharing control. Shared control means shared responsibility by all for the entire project and its well-being. To emphasize the individual responsibility, which is quite common today in business, might jeopardize the foundation of trust between people. In groups, like those working together in projects, it is vital to trust each other since the project managers are so interdependent. No individual can manage on his or her own in business today. The need for cooperation and mutual trust becomes more and more important because of the rising complexity. This goes for leadership as well. Co-leadership has successfully been exercised in different ways in the business development projects depending on the circumstances. To manage large development projects on your own can rightly be seen as an unbearable burden for a single person. It is just too complex.

*Learning from everyday work*

Learning does not spring from teaching others. The “only” role of a “teacher” is to facilitate learning to a maximum level. Learning cannot be forced, only encouraged. The most efficient learning takes place in the ordinary work setting. Learning situations, then, do not have to be created artificially when the cases are all real and important. The environment and work setting is the everyday one so there is no interference from unusual circumstances. This goes for individuals as well as for teams. The best conditions for team learning are found in the very team that is to learn something and in its normal, everyday work. That is the prime reason for emphasizing learning by interventions in normal working situations. The prime means of the interventions are to facilitate reflection among the participants. These interventions call for the omnipresent learning coach, ready to assist at any time when a significant learning situation arises.

For the reinforcement and consolidation of these everyday learning experiences, one also needs to set time aside for learning by more comprehensive reflection than what is possible in the pace of ordinary working conditions. That is why learning from everyday working life has to be complemented by off-site learning activities.

### *Effects on bottom line results*

The importance of all these “soft” issues can be translated into hard currency in the bottom line results. To take learning and other development issues seriously from the very beginning of projects or other project-like work tasks is to save money for the company. I have seen many positive effects of engaging project teams in development activities during ongoing projects. Unfortunately, I have also seen examples of project groups not paying enough attention to learning and other soft development issues, especially at the start-up. Almost all severe problems in projects are due to the human factor and very seldom because of purely technical reasons. If the latter occurs, one will probably find some human miscommunication as a cause of the technical malfunctioning. To further improve our process of business development from a Human Resources Management (HRM) perspective interwoven and on-line with the ordinary project work creates added value for our employees as well as for our shareholders.

### *Tangible examples of Catch Management*

The concrete opening for me to work with the PMG was actually problems with excessive overtime. Business Project Director Hans Wikman felt they needed help in sorting this out. He contacted Vice President Anita Beijer, director of HR at VCC, and she gave me the assignment. She also introduced me to Anders Lindberg from MiL. At an early stage I perceived the overtime problem as a symptom of the deep need to develop the project organization from an HRM perspective. A while into the development of the new-car platform the project went through a rather chaotic phase. As an extension of my task to address the excessive overtime problems, I was eventually assigned to provide more general HR support to the project managers. So, I took a seat on the PMG.



All previous new-car projects had been one-car projects. Now, for the first time, a number of car models were to be developed on the same car platform. The consequence was that a number of competitive and adrenaline-charged project managers were to be seated on the same PMG. In this situation there was a growing need to gather the group of project managers and try to get them to talk more clearly about how they were to work together. Anders and I formed a “program” based on ambitions to create the chaos and conflicts found in reality in order to make the PMG deal with these conflicts. We decided to take the project managers off-site to start the conflict-handling process. Since I was a member of the PMG, Anders planned and conducted the first team exercise in detail.

### *The Klippan experience*

The trip from Göteborg to the off-site venue on the MiL Campus in Klippan was arranged as an analysis of competitor cars. In each car two people traveled together and on specific occasions the project managers were to change both partner and car. Besides evaluating the cars, the managers were to discuss issues regarding ways of working.

After reaching Klippan, we formed teams for the task of climbing a cliff. Outdoors it was cold and snow lay on the ground. We had contracted two mountaineers to guide us in our efforts. Besides Anders and myself, no one knew what was planned. We stopped our cars in the middle of the woods. Helmets and a rope were distributed to the participants while approaching the cliff. The rising excitement and suspense among the project managers was now obvious. The managers, who usually were laughing and talkative, fell silent. A spontaneous tug-of-war with the rope ensued without anyone saying anything. Some of the managers joked about having to test the rope before it was used, but we understood that this was quite unnecessary. They were evidently nervous but no one actually admitted it. Someone started to talk about a sore arm and another mentioned a troublesome foot. The eight project managers were tied to a rope only 1.5 meters from one another. Practically every move they made had to be synchronized.

Who was to make the first move? There was a short moment of silence. The question of who was to lead arose and quickly the group decided to appoint the youngest (and the least senior) of them all to lead the way.

In doing so they skillfully avoided the tricky issue of manifesting the internal hierarchy in this playful game. For some of the more senior project managers, who regarded themselves as the self-evident leaders, it was important to keep other senior candidates from being appointed to this otherwise insignificant position as climbing leader. Soon the project managers realized that they had to be better organized to accomplish the task of climbing the cliff. No one ever questioned the task. It was taken for granted to carry out the “order” from the mountaineers, and to do it as quickly as possible too. The managers started to inquire about previous climbing experience among themselves, but soon began to rush each other to start climbing.

Laughter mixed with seriousness and even terror in the eyes of the managers was seen as the first ones climbed a few meters of the vertical cliff. The mountain was wet and there was snow in places where the climbers tried to get a grip. To accomplish their goal they soon realized that they had to help each other by physically showing one another the right way and directly placing hands and feet in the right positions.

We did not start a discussion among the managers about how to handle the project. Instead we took them outdoors to acquire first-hand emotional experiences of difficult situations and then use these to reflect on their own behavior in stressful situations.

At 6 p.m. we gathered for reflections. We were seated in a circle, and during a three-hour session we went through what had occurred during the day and what similarities there were between the actions during the playful exercises and the ordinary workplace. It all came down to how the project managers perceived the nature of their interpersonal relations and how they handled those relationships. The interventions during this session were made both at an individual and a team level and were all about how to lead the platform project. Most participants asked themselves how they wanted to be treated by others, and consequently how they treated others.

### *Ad hoc meetings*

In the beginning of the platform project, I noticed that the two most influential project managers could not talk to each other constructively

and therefore repeatedly created conflicts. At the same time they had an obvious need to join forces to resist others in the company who tried to take advantage of their weak, non-cooperative position. To be able to move on, I decided to intervene in their relationship. Without their previous knowledge, I set up a meeting for the three of us where I stated my views on their relationship and the consequences thereof. One at a time they stated their respective viewpoints regarding leadership and the nature of their internal relationship, without the other being able to make any immediate comments. They then jointly decided not to talk behind each other's backs but directly to each other. During this intervention, they realized that they had to cooperate to accomplish their assignments. They did not have the time to fight each other. From then on they started to cultivate quite a different relationship, and it is now fair to call it a close one.

#### *On-line interventions*

Using interventions became a central tool for facilitating change and development in the PMG. Being a part of the group made it possible for me to use on-line interventions, that is intervening directly in the spoken dialogue as it happened. During meetings in the different PMGs I was a part of, I often intervened to clarify the communicated meaning between the participants. This included my personal interpretation of what people might have said or thought. I could, for instance, stop the conversation and ask the participants what they thought the other person might think of what was just said, or how the participants perceived the last comment made by someone else. Another example was asking a listener to offer his or her interpretation of the last statement made, to double-check that interpretation with the person who made the statement in the first place. Such questions were ever recurrent in our meetings, and the participants eventually got used to the interventions and my way of working. This way of asking questions spread in the management group as well, especially questions that did not seek a clear-cut answer. Asking such questions has the prime purpose of evoking new and unexpected thoughts rather than producing straight answers. Presenting questions that had no evident answers is also quite in line with the process of developing new cars. To insert a touch of uncertainty in the questions was actually to bring in an element always prevalent in development work, even if the project managers never thought about it that way.

*Working with the technical team*

I was asked by the technical team to help them with the “soft issues”. We decided to set aside 30 minutes before the ordinary technical meeting to talk about soft issues. I did not have a clue of what I was going to say. All the same, we sat down, and pretty soon we discovered that universal issues were the most interesting to the team. During the 12 months I met this group I addressed all kinds of issues such as marital relations, kids, etc. We talked about transactional analysis, psychoanalysis, Freud’s different theories, Oedipus, chaos and how a personality is shaped at an early age and a lot of other things too. Twice a year we went off-site to a conference venue to deepen our dialogue about working together.

On one of those occasions we focused on the technical project manager, how he led the team and how the team perceived his leadership. We sat around a table with lit candles where each and everyone expressed opinions about their own leadership in relation to the technical project manager, who was the number one ranked officer in this constellation. The main purpose of this particular off-site meeting was to conduct a sort of debriefing, as an arena for mourning that the technical project just had finished. We kept on all evening telling stories about what it had been like, and laughed a lot about the splendid tales we created. In all my years, I have never seen such genuine curiosity and openness as between these engineers. They had such a desire to learn more about soft issues. They also had a deep respect for the HR competence and an eagerness to learn more. Such curiosity from engineers about soft issues makes me believe that in the near future we will see a lot more knowledge crossover between different competencies.

*Reflection after every project meeting*

The last five minutes of every PMG meeting was designated for reflection. The assignment of delivering a personal reflection rotated among the project managers. Undisputed, the assigned manager had the undivided attention of the entire management group those last minutes, especially since the moment was marked by turning off the lights in the room. The reflections could sometimes hurt, but the intention was always to contribute to positive change and development. The importance of reflection was also highlighted at the team development meetings held off-site every third month. On these occasions we watched some video

clips from the research material Mikael collected during his study. He videotaped all meetings in the Business Development Group for about two years. Mikael's study had a dual purpose, one more focused on his research and the other one on the comprehensive reflection facilitated by feedback from the video recordings. To see oneself on a screen is a really powerful way of learning.

### *Some basic principles in my work*

There are some basic principles that guide most of the work methods I use. The three most important are listening, lodging and intervening. I will explain what I mean with each of these concepts.

#### *Listening*

I think it is important to try to “hear” what is *not* said, to let your own imagination be a part of an attempt to access the parallel meanings in an utterance and its potential meaning. To do this requires a high level of attention and awareness about your own projections, but at the same time allows you to play with different perspectives and solutions. Sometime you might carry thoughts and fantasies about alternative meanings in what people have uttered for a long time before finally using them in an intervention. This is usually not done in planned situations. You have to rely on intuition when deciding on an intervention, which is the essence of Catch Management.

What is happening in the team today? What language are they using? Is the team cheerful, playful or depressed? Is it the right moment to take the initiative? As a coach one has to ask oneself these questions. Initially it was both possible and right to infuse frustration into the team, to give them mental space for daring to see new territories, or to create developing thoughts. This can only be done if one dares to keep the team close to chaos.

#### *Lodging*

The inner pendulum of momentarily being part of a team and then stepping outside, not being able to wholly be a member, to constantly live with distance and closeness is about lodging. The coach has to pay

attention to the frame, to uphold certain limits for the participants to experience chaos that is manageable, while not letting things run totally out of control. To define the terms of reference is also important. People need limits to be able to create a safe space for the playfulness required to create new things, as for instance new cars. One can imagine the frame around a piece of canvas where the painter can freely create, but always within the frame.

### *Intervening*

This topic has already been developed at some length, so I will just add a few additional comments. Intervening is basically about asking the questions never spoken aloud but lying beneath the surface. What is not spoken can create a number of alternative interpretations of the “real” or inner meaning of intentions disguised in what is said and done. To ask for explicit statements by intervening is to reduce confusion and misinterpretations in a team. During the project, I heard more and more people using reflective questions instead of having ready-made answers to everything. One experienced project manager claimed that asking the right questions was one of the most important behaviors of managers. One way of exercising leadership is to ask the right questions.

## EXTERNAL COACHING IN CATCH MANAGEMENT

### *Anders Lindberg*

At the end of 1995, Anita Beijer expressed her intention to start a development program for project managers engaged in the development of the new large car platform called P2 (Volvo S80, V70, S60 and XC 90). Anita was convinced that addressing issues of leadership, teamwork and empowerment were key factors for success of the projects ahead.

### *The program that never was*

About three months after giving the assignment, Anita asked for a progress report, a question that would come up frequently without being properly addressed. The prime target group of project managers refused

all the development program design suggestions we presented to them. Apparently the intended classic management development program of some extensive duration was unsuitable for this particular target group. They were unfavorably disposed towards the entire idea of engaging themselves in a program involving pre-specified themes and preplanned occasions and they did not have the time needed for an extensive program. Bringing in yet another structure was more than they could handle, even if the need was obvious and the content relevant.

Leadership, communication, teamwork and learning were the important development themes brought up by the project managers themselves. We had to find new ways of addressing these vital issues. Initially it was even hard to get the project managers to commit themselves to addressing the questions they saw as crucial for successful fulfillment of the project goals (especially leadership and communication).

However, by using a well-tried VCC notion and the team development format, Lars-Göran managed to get the PMG to meet and discuss issues other than purely technical and financial ones. Going off-site for team development meetings is something that almost all teams and departments at VCC do once in a while.

### *The Klippan Experience*

At a vitally important and successful off-site team development meeting at the MiL Campus in Klippan, we focused on individuals, differences and the efficiency of the PMG. Theories on team behavior were manifested through playful activities like climbing a cliff. The practical experiences gained from these activities were, after a lot of reflection, linked to the everyday work back home on the project. One example was the importance of introducing new team members and functions, which certainly do affect the team. During the activities in Klippan, the PMG started solving some of the most central uncertainties regarding organizational ownership both externally and in connection to the line organization and executive management.

Several comments from the project managers afterward emphasized that the organizational issues would have remained problematic much

longer, had the events at Klippan not occurred. The very name “Klippan” became a symbol for the hands-on activities such as the climbing (Klippan actually means “the rock”). It also became the starting point for a new definition of the old term “team development” and the potential of such events. In Klippan, the particular needs of the management group were met by the content of the off-site meeting, which partly emerged during the actual event.

### *A new standard for team development*

The off-site meeting in Klippan turned out to be a new kind of team development with a character of its own, facilitating tangible problem solving and further development of the new platform project. This was the first of a number of similar off-site meetings, thus setting a new standard for what team development could be. Seizing the right problem at the right moment and designing team development with a form and content which supported and emphasized the important questions and simultaneously integrated the hard and soft sides of the project, came to be known as Catch Management. Seizing or “catching” the right learning moment can hardly be predicted in a preplanned structure.

If an outside observer were to study what happens in a classical Action Reflection Learning-inspired management development program and a Catch Management program, there might not be any apparent differences. So, it is not the tangible action that separates classic programs from Catch Management, especially if the management program uses internal coaching between the off-site meetings. The big difference is that it is the program participants, the project managers in this case, who create the whole agenda facilitated by the internal coach.

### *The key role of the internal coach*

Thus, the internal coach has the key role of interpreting the needs and wishes of the participants in an on-line situation, being part of the PMG himself. The importance of the ability of the internal coach to focus on and facilitate the development processes most needed by the group can not be overestimated.



The internal coach can also help implement the learning that occurs at the individual, group and organizational levels in everyday working life. One tool for accomplishing this was the regular reflections at the end of each PMG meeting. To work as an internal coach is a very complex task, especially in a project which is based on myriads of different sub-teams and complementary meeting forums, all dependant on the PMG.

Being the internal coach provided great knowledge and legitimacy to Lars-Göran, which was necessary for working with a project of that significance. Interest and knowledge about the psychology of individuals, combined with that of the interaction between individuals and teams are prerequisites for an internal coach. At the same time the internal coach has to know a lot about the core business processes and the products.

### *Coaching the coach*

The sounding board function of the external coach, functioning as a partner, originated from the complexity of being an internal coach. Gradually, the connection between Lars-Göran and myself developed into an internal/external coaching relationship. We were actually introduced to each other by Anita. Needs and problems between Lars-Göran and the PMG often existed in the borderland between the explicit and the implicit, as did the relation between Lars-Göran and myself. My role as the external coach was a flexible Catch Management role based on the needs of the internal coach. It was mirrored in what happened in the platform project and more specifically what happened between Lars-Göran and the rest of the PMG. To help him see where he and the group were in their development process became one of my primary tasks. It was also a question of helping to find the embedded dilemmas of being the internal coach. Just as there was a lack of conceptual structure in the learning process for the platform team, the cooperation between the two of us was not clearly specified in the beginning. This obviously had its disadvantages, but was perceived as a condition for the relation. The greater the confidence and legitimacy Lars-Göran gained in the PMG, the more clarity was shown in his relation to me.

Lars-Göran frequently had ideas and suggestions for solutions to problems and dilemmas, and there was a need to turn these issues over in

both our minds, especially in the beginning. It was also evident how fast things happened soon after we had a discussion, sharing thoughts and penetrating alternatives. In many cases, the initial idea was that I was to help Lars-Göran operatively in some presumed difficult situation in the PMG. A day or two later he might call to let me know that he decided to do it by himself. By the end of the project this had become a source of irritation to me as Lars-Göran more frequently cancelled my participation in the team development activities. But my role as a sounding board for Lars-Göran continued as long as he worked as the internal coach of the projects. The operative contributions I supplied in team development activities like the off-site meetings or directly in the everyday work situation were gradually reduced, starting two years before the project ended.

I worked as an operative external team coach primarily during the first half of the project. My initial task was to facilitate the creation of a management team. Thereafter, it was to intervene at critical moments as when conflicts arose and during the final process with the division of the platform project into separate new-car model projects. In preparing for these team development events and exercises, Lars-Göran and I carefully planned our separate roles. In the middle of exercises we shifted roles when needed, which was possible since we had built up mutual trust. After a short time working together, we both knew our strengths and weaknesses and respected each other. Perhaps we shared too many personality traits to be able to complement each other ideally. On the other hand, this may have been a prerequisite for us working together as well as we did. If we had had a greater need of long-term planning and structure, we probably would not have endured working in this way. Change is always prevalent in business. New conditions, new focuses and new musts are never ending. Customer orientation towards the life of projects and the inherent management dilemmas they contain were cornerstones of coaching in Catch Management.

## THE RESEARCHER'S PERSPECTIVE

*Mikael Wickelgren*

The never-ending drive for shorter time spans is the emblem of competitive companies in a market situation. Development time for all new cars has followed the general trend in industry and undergone drastic reductions. The shortest time for developing a car today is verified at 14 months and the automotive industrial benchmark is Toyota. There are, though, big differences between developing ordinary, relatively cheap cars and the development of more prestigious and costly vehicles with strong brand names. The latter have to be developed by human beings using their senses of smell, hearing, and touch, not to mention all the subjective opinions regarding design and styling subject to the beholder in creating the desired emotional mix of a prestigious, state-of-the-art car. The former can be constructed using far larger proportions of virtual development and testing.

*Tighter conditions fuel the need to address “soft issues”*

The most critical factor of a successful development project today is all about the *people* participating in the process, how they communicate, understand each other (or not) and their ability to learn from one another. One implication of the shortened development process is an increase in the stress the managers are submitted to.

Burawoy (1985) states that any production process is not just about the production of objects; it also involves the creation of social relationships. What was new and unique in this case, at least for VCC, was the way Lars-Göran combined known HR tools and methods to work from within, facilitating and fostering the communicative process in the PMG. The HR activities almost always addressed emotional aspects of tasks and relationships in the PMG, promoting the expression of some emotions and the repression of other forms. Therefore, the HR activities can be seen as an attempt to keep the “project-management-machinery” well greased by means of emotional management (Wickelgren, 2001).

*The management group in focus for soft development efforts*

The new-car project was managed by a PMG, which (in the specific project I have studied) consisted of 18 people. A majority were project managers, sometimes called project leaders or project directors, for sub-projects in a hierarchy within the company. The PMG in focus was responsible for creating new business opportunities for the company by developing three new cars. The participants in the PMG represented different functions or sub-projects in the business development process, such as the technical project, the commercial project, business control, design department, human resource management, quality assurance, properties/accessories and project coordination. There was also a liaison officer between the technical and the commercial project, and a couple of secretaries or assistants participating in the PMG. A heavyweight project manager exercised the task of being business project director, also called “large project leader” (Womack, Jones & Roos, 1990: 112). This means that the person ultimately in charge of the project is granted considerable formal power and authority. In the case studied, the business project director carried the formal title of vice president in the company.

The PMG was the ultimate forum for all major, formal decisions regarding the business opportunities and related products and services of the project. An all-new car project (at least the size of the one studied) runs for approximately four years, and ultimately involves several thousand people contributing to the end result – a new car in the hands of the customer. The total budget of the project studied was counted in billions of ECUs, including costs for industrialization and marketing.

*Standing up for soft issues in business development*

In the PMG that was studied, the opinion was prevalent that a focus on human and organizational issues during “technical” development work facilitated the entire project. This opinion was a rather firm conviction, primarily observed by the HR manager in the PMG, but also by the business project director and others. The active support of the director was of special importance since he was the number one ranked officer in the group. This opinion of the PMG is also supported by research (Berger, 1994). Embedded in this conviction is the belief that the invested time

on individual and team development pays off indirectly through more efficient work. The HR manager was inevitably the key person in the efforts of the PMG to focus on the “soft issues in a hard reality<sup>3</sup>”. Observable actions in the PMG that exemplify the “soft issues” were:

- personal reflections at the end of each PMG meeting
- on-line interventions in discussions by the HR manager
- comprehensive reflection at 24-hour off-site meetings four times a year.

#### *Reflection ending each PMG meeting*

The personal reflection at the end of each PMG meeting became a practice rather strictly upheld by the group members. One member was given five minutes, undisputed, to put forward her/his own feelings and thoughts about what had transpired. Not even after the PMG meeting finally ended was anyone supposed to make comments about the reflection. What was said was meant to be absorbed like the final chord of a concert. The assignment to reflect rotated among all the PMG members.

#### *On-line interventions*

The on-line interventions were meant to promote reflection on a meta-level (cf. Watzlawick et. al., 1967), which means to focus the reflection on what kind of communicative process the discussion constitutes or is about to create. The intervening time-outs were not meant to eliminate all conflicts between the members of the PMG. The HR manager directly said that conflicts could be positive as well as negative for the combatants and the whole group. He tried to intervene in situations where (potential) conflicts affected the PMG members in a way that hindered them from performing their project tasks efficiently. The idea was to promote project completion by managing the interpersonal relations in the PMG. Since these relations are expressed by emotions, the HR manager’s task could be seen as a process of emotional management<sup>4</sup>.

The idea of calling this HR approach Catch Management stems partly from the method of directly intervening in what is said and done in the PMG meetings. The original connotation of Catch Management was seizing the opportunity to learn from the ongoing process in the PMG as it happened, in real time in ordinary everyday work. The interventions

became the tool that created the necessary pauses for reflection upon behavior among the PMG members.

In a sense one could say that the on-line interventions shortens the ARL cycle since the reflection takes place almost immediately after the action, thus directly facilitating learning for new action. However, the need for even more time for reflection also emerged, as did a need for greater distance from the action to promote a more comprehensive reflection. To achieve this, the PMG also engaged in two-day, off-site team development meetings.

### *Off-site meetings*

Approximately every third month the PMG dedicated one to two days to team development activities. The PMG usually traveled 1-2 hours away from the company to a relaxing, rural or coastal location. The purpose of these expeditions was to promote comprehensive reflection on the project. To achieve this, the PMG tried to create a suitable distance (physical and mental) between the ordinary routines of work. They often engaged in absorbing activities that had potential implications for their business development project. Thus, during teambuilding activities, the PMG took part in diving, sailing, race driving and several games with the aim of constructing tangible results in small teams, under a series of restrictions, e.g., very short time given for the task.

### *The research project – using video recording for dual purposes*

The idea for this research project was brought up in some of the frequent discussions VCC and the Gothenburg Research Institute (GRI) have held ever since our collaboration began in 1997. Starting with a couple of studies of year model change projects, the Research Institute wanted to study data from a new-car project. VCC saw some interesting ways of integrating the research methods for learning purposes in the ongoing Catch Management efforts. Earlier research projects used video recordings as a primary means of data collection. These video recordings were also used to create learning opportunities in feedback sessions to facilitate reflection on the behavior of the team members. I video recorded as many PMG meetings in the new-car project as I could, and these recordings were then frequently used for feedback. There were never any demands

from VCC as to what the research should focus on. I was never asked to evaluate the development process or the Catch Management efforts, but there has always been an ongoing interest from VCC as to what I chose to study and what my tentative findings were.

Tangible change in management behavior was evident in the research material and the strong impact of video feedback can be certified, which is fully in line with other research using similar methods (Echeverri, 1999; Jönsson, et al., 1999). Argyris (1982: 166) suggests the use of an instrument that permits the learner to take part of directly observable data, which is one of the prime features of video recordings.

### *Learning from video-supported reflection*

Learning from feedback of video recordings is a kind of learning that promotes tangible change in behavior, according to the results of our research. Direct observations and video recordings from PMG meetings support the change in behavior the members reported themselves, even long after the team development activities. There are several examples regarding concrete change in behavior of PMG members as a result of the learning facilitated by video feedback. One such example comes from an interview of a participant in a Swedish HR magazine. Project Director Lars Erik Lundin, Vice President at VCC, stated that he learned to recognize his own pattern of behavior in certain situations thanks to the video feedback (Billing, 2000). These findings are in line with ARL and Argyris' theories of learning (Argyris, 1976, 1982 & 1991).

To change or modify people's guiding principles for action takes some effort. Profound change requires strong medicine, to use a medical metaphor. This is especially interesting in reference to statements by PMG members of how they felt when experiencing feedback from the video recordings. One member said that he expected a rough emotional experience from the video feedback session on a specific occasion, but afterwards he thought it was much "worse". He encountered greater emotional input than expected, but at the same time he experienced a tangible change of behavior from that moment on. His own statement of changed behavior is certified by his colleagues in the PMG as well as being observable in later video recordings.

Hearing other's statements or descriptions of the occasion can hardly replace the impact of seeing oneself through the eyes of others as a spectator or an onlooker. It can be done without video, as Argyris demonstrated (1976 & 1982) on several occasions, but with considerable effort and time. The use of video recordings essentially speeds up the learning process.

### WRAPPING IT UP – REFLECTIONS AND COMMENTS

#### *Not the only one heard of ...*

The events described in this text are far from the only example of efforts to develop work processes. Roth & Kleiner (2000) describe a similar process in *Car Launch*. The case is also referred to in Senge (1994), whose clever anonymous description was unveiled by Goleman (1998). From a Volvo Car Corporation perspective, it is all the more interesting to learn that the Roth & Kleiner case concerns the Lincoln Division of Ford Motor Company.

The 1995 Lincoln Continental was launched after being developed in a project that made history. It started in a turmoil and ended in success, at least when counted in parameters controllable by the project itself. It was completed some weeks *before* the deadline, *returning* money allocated in the project budget, something never heard of before in Lincoln or in Ford at large. The car was rated as having excellent quality from the very beginning of factory production, and the ramp-up of production was one of the most trouble-free launches in company history. All measurable goal parameters of the project were met or surpassed.

The “secret” to this success was the effort to address the “soft issues” among the people working with the project. Interwoven in the timetable was a series of “learning labs”, where the project management met other key players in the Continental project under the guidance of people from MIT. During these learning labs, the participants developed trust and a closer understanding of each other to an extent quite unusual in the company culture.



One might think that such a success story deserves to be crowned by the institutionalization of the new and groundbreaking working methods as a new company standard. In the case of the '95 Continental project nothing of the sort occurred, rather the opposite. The two top project managers, Nick Zeniuk and Fred Simon, were both offered early retirement at the end of the project. The reason for making this offer was in question. One possible interpretation was that the methods used in the '95 Continental project were a threat to company culture, and that top executives had to get rid of such a threat. The official company version is that Zeniuk and Simon were, among a large group of others, presented the standard offer of early retirement because they belonged to the categories in focus for the offer. Both Zeniuk and Simon accepted early retirement from Lincoln/Ford. Nick Zeniuk then joined The Interactive Learning Labs, a company started during the process of conducting learning labs at Lincoln/Ford in the '95 Continental project.

*Challenging a hardcore company culture?*

So, very few of the lessons learned from the '95 Continental project came to be used in the company. Why is that? How come companies like Lincoln/Ford just chose to disregard such invaluable experience, which would enable them to develop new products even more efficiently? It is tempting to draw the conclusion that addressing soft issues in a hard reality poses real threats to a hardcore company culture. The current culture at Ford, as in many other companies, is one of being tough, rational and of excluding emotional considerations above all. To choose a different management style, such as the one Roth & Kleiner describe or the one called Catch Management in this chapter, is to fundamentally challenge the reigning culture. You have to show your vulnerability and insecurity to others to gain their confidence. You have to really build trust, brick by brick, to show that you are serious and trustworthy in the long run to be able to communicate in a more productive way. To do this, you constantly need to address “soft issues”, and probably under the guidance of experts in the area of Human Resources. Whether one calls the sessions learning labs, teambuilding activities or Catch Management is not the most important question. Correctly and carefully conducted, these efforts will help the complex processes of human communication a great deal and facilitate the production of hard results in a very tangible way in the end.

Interestingly enough, one should also question how much of the experience at VCC (bought by Ford Motor Company in 1999) during the project using Catch Management is currently used in new projects. There are strong indications that far too little of the hard earned experiences are used and nurtured at VCC today. There are some painful examples of ongoing projects with severe problems that just might have had a different outcome, had they given the interpersonal communications process more attention from the start. The reason for this can be found to a large extent in several obstacles for knowledge transmission.

### *Transferring of experiences*

One example is the dispersion of people after a project is completed. Since project managers usually leave for new challenges in the form of new assignments or positions, the transferring of experiences between projects becomes a problem. To create such specific conditions for learning as in Catch Management, a critical number of people have to understand and accept those conditions. So, in this case, the dispersion of the project managers meant the dilution of the ideas of Catch Management. No really solid evaluation has been carried out to assess the significance of the Catch Management activities, analogous to the Lincoln Continental case. This research project never meant to, and was never asked to do so by VCC. However, the two most significant examples of actually building on experience from Catch Management in VCC today are that HR conditions are written into the gate system for business development and the continued HR development activities called MOD. (See chapter 9.)

### *Selling your soul like Faust? – critical viewpoints*

There is evidence to support the claim that professional project management of today is no easier than it was yesterday. Quite the opposite – pressures are constantly being added to the already existing ones shouldered by project managers. The efforts described in this chapter can be regarded as an HR antidote to the ever-increasing pressures of working life today. To cope with the job, the project managers in the case described engaged in close and self-revealing activities led by their HR manager. Of course, one cannot presume that every potential project manager has the same interest in participating in such activities. Was there any real choice for

project managers in the Catch Management case? Some of the activities like those that took place under the Catch Management heading can easily be perceived as conflicting with personal integrity issues. A relevant question is how much employees have to put up with in order to do their job. The question becomes even more relevant if one perceives the Catch Management activities as a form of emotional control exercised by an employer over the employees. A bit like the Orwellian 1984, where people not only have to *behave* right, they also have to *feel* and *think* in the prescribed manner to please Big Brother.

It is a tricky task to critically assess the actual course of events in the social settings of the Catch Management projects. We may be too much a part of the process to give trustworthy accounts and assurances that the activities initiated and conducted in the management teams were not a violation of the participants' personal integrity. However, for a number of reasons we claim that what was done in the name of Catch Management at VCC during 1996 – 2000 never got out of hand, nor did it violate the rights of individuals or teams. We have the deepest respect for human beings as being their own primary masters of change. We are also convinced that people want to develop and we have a solid respect for the complexity in every personality. Potentially delicate matters were not dealt with in front of an audience. If conflicts concerned the entire PMG, though, then the efforts to unravel the difficulties were conducted in the group.

We want to particularly emphasize the importance of the proper competence of the professionals guiding such processes. The leading of team and individual development processes is a delicate task, and the person who does so must have solid experience and an alternative plan if things runs amok. This would include back-up experts if someone encounters a personal crisis. Working with people in complex social settings is, in a way, to actually *live* Catch Management yourself. You can never anticipate what is going to happen. The plans you make are almost certain to change during the implementation. You never know beforehand when the opportunity to intervene will occur, and you have to have the readiness to act when it happens. A coach who needs a strong and clear picture of what is to come next will find the job difficult. Both Lars-Göran and Anders have decades of experience from coaching in

demanding interpersonal situations, which is a great asset when taking on the challenge of performing on-line development activities without having all the answers from the start. The ability to “ride with the wind” or handle situations of chaos is a big help in development work like Catch Management.

### *Considerations for future programs*

It is almost unmanageable to give a short and distinctive account of what happened when Catch Management was created, and it is not any easier to deliver useful advice for those interested in trying to pursue something similar. However, here is a list of useful considerations, though far from exhaustive, when setting up a program inspired by the ideas of Catch Management.

First we question the appropriateness of using Catch Management in all situations. Catch Management has not been invented to save us from “horrifying” traditional development programs, quite the opposite. Classic programs can never, and should never be replaced by Catch Management efforts. These two kind of initiatives complement each other. The situation has to be right to abandon the idea of conducting a classic development program. In the case described above, there was really no alternative. The project managers refused to set aside the time needed for classic development activities. In retrospect, however, one can seriously question if they did save any *time* on Catch Management considering the time it took to perform the development activities. They most certainly won a lot of time in the entire new-car or platform projects though, because of the “soft” development efforts. The great advantage in using Catch Management is rather the immediate response to the needs of the participants translated into activities specially designed to address those needs. To call Catch Management a tailor-made development program is an understatement.

Of course, there are plenty of opportunities to use the tools described in this chapter in a variety of development programs. The tools themselves are not in any way unique. The unique thing is *how* they are used and combined. Another unusual feature is the extreme closeness between the participants and the internal coach. Being so close to your “customers”

requires external coaching. It would be foolish to even try to perform such a task without this kind of back up. It is also hard to see how an internal coach could cope in the long run, constantly delivering development activities to a team without being the subject of some development of his/her own.

A person who needs a lot of structure as a coach will find it difficult to perform the role successfully. It is no coincidence that both Lars-Göran and Anders are individuals who avoid structures that are too rigid, and find themselves much happier in environments where everything is unpredictable. It is no wonder that they both had considerable problems in delivering a plan to Anita. They also had some difficulties in delivering a description after the program was completed. Describing complicated series of events requires some interest in forming comprehensible structures, especially in writing. This is more Mikael's task, who in his research role has a vested interest in bringing order to the somewhat chaotic world of Catch Management.

A Catch Management coach has to give up a certain amount of the control that he may be used to having. Negotiated control is the only possible kind that can be exercised in a Catch Management program. Control and management privileges normally granted the person(s) running development programs are not at hand in Catch Management. The contribution of the coach(es) is constantly monitored by the participants from an evaluative perspective, where they always have the opportunity to terminate the ongoing activities if they do not find them sufficiently rewarding. The coaches have to deliver what the participants need or want for renewed trust in future activities. This makes the role of the coaches very intriguing, having to constantly both please and challenge the participants.

A final word of caution concerning the integrity issues: Taking on the challenge of conducting a development effort like Catch Management will sooner or later force the questions of how personal or even private one should be at work. It is not reasonable to demand that employees disclose everything about their private lives. If an employee volunteers such information to the internal coach for instance, this has to be handled with the same professional standards as in a therapeutic situation

of a “patient-therapist” nature. The problem is that the relation between participants in development activities conducted by a company and their internal coach is, by definition, not a therapeutic one. There is no guarantee of professional confidentiality. All the same, it is strongly recommended that the internal coaching situation in a company be considered in the same way as a professional relation between a client and an external analyst, which includes full professional confidentiality should the need arise.

*Notes*

<sup>1</sup> The Drucker quotation is rendered in Womack, Jones & Roos (1990:11).

<sup>2</sup> SUV means Sport Utility Vehicle, which is often a large four-wheel driven station wagon with off-road capabilities and a heavy-duty appearance. SUV’s have grown increasingly popular in many markets for a number of years now, climbing the best-seller list in the U.S. Few self-respecting car companies today lack a serious SUV in their model line-up. Volvo’s first real SUV, the Volvo XC 90, was presented to the public in January 2002.

<sup>3</sup> This was an expression of the HR manager himself, which he frequently used to describe what he and the PMG were doing.

<sup>4</sup> It is not accurate to say that the HR manager was solely responsible for the emotional process in the PMG. In both oral statements and tangible action, several PMG members demonstrated shared responsibility for the emotional process. However, the HR manager had a clear role as the prime facilitator of emotional issues.

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