Toward High Involvement Strategy Formation:
Conversations and Decisions That Matter

Paper for BAWB 2009 Global Forum

Track 2:
Massive Innovation: What Do We Know About Change at the Scale of the Whole?

April 2009

Georges Romme
Eindhoven University of Technology
E-mail: a.g.l.romme@tue.nl

Frank Barrett
Naval Postgraduate School
E-mail: fbarrett@nps.edu
ABSTRACT

Traditional modes of crafting strategy have been criticized as overly rational and partial in nature. A major deficiency of traditional strategy making is that most minds within the organization are not brought into the process. This paper provides a framework for understanding and designing high involvement processes for generating and implementing strategic change. Several generic principles of high involvement strategy formation are defined: the ethic of reciprocity, psychological safety, ideation, and simple rules. These dimensions are illustrated by way of two high involvement approaches that have been extensively tested in a variety of organizations: Appreciative Inquiry and Circular Organizing. We summarize and compare these approaches. As such, the key design parameter of high-involvement strategy processes appears to be whether the main interest is in “conversations that matter” or “decisions that matter”.
INTRODUCTION

Many corporations and other organizations have great difficulties in creating commitment to strategic decisions crafted at the senior management level. In this respect, studies of strategic and organizational change frequently describe how change attempts generate huge resistance and other problems (e.g. Foss 2003; Torenvlied and Velner 1998). Large organizations, particularly multi-business firms, also have difficulties in ensuring that vital information reaches senior management promptly and accurately (e.g. Kim and Mauborgne 1993; Milliken et al. 2003; Moss and Sanchez 2004). A dramatic example is the Columbia shuttle accident in February 2003. One day before this shuttle exploded after take off, NASA engineers debated by phone and e-mail over potential wing damage from extreme heat. The engineers, however, did not take the matter to NASA’s top management (Moss and Sanchez 2004).

Traditional modes of crafting strategy have therefore been criticized as overly rational and partial in nature (e.g. Mintzberg 1994). A major deficiency of traditional strategy making is that most minds within the organization are not brought into the process. As a result, vital information never reaches senior management and implementation of strategic decisions often fails because of lack of engagement and commitment (e.g. Milliken et al. 2003; Laine and Vaara 2007). In this respect, there is an emerging body of evidence that suggests high involvement processes for strategy making tend to increase the quality of outcomes (e.g. decisions) as well as the commitment to these outcomes. For example, a study by Floyd and Wooldridge (1992) suggests that exposure to strategic information and involvement in setting strategic priorities enhances shared understanding of corporate
strategies. Moreover, a number of studies concludes that involvement in articulating the vision and key policies for the firm enhances commitment necessary for successful strategy formulation and implementation (e.g. Dooley and Fryxell 1999; Floyd and Wooldridge 1992; Kim and Mauborgne 1993; Oswald, Mossholder and Harris 1994).

More recently, Mantere and Vaara (2008) analyzed strategy processes in 12 organizations and identified the discourses that appear to be associated with nonparticipatory versus participatory approaches. Nonparticipatory approaches are framed in terms of 'mystification', 'disciplining' and 'technologization.' By contrast, strategy discourses framed in terms of self-actualization, dialogization and concretization promote participatory approaches (Mantere and Vaara 2008). This implies that the way we think and talk about strategy matters, and that we need to actively craft discourses that are instrumental in creating engagement and involvement in strategy formation.

This paper provides a framework for understanding and designing high involvement processes for generating and implementing strategic change. The Method section therefore draws on a design science approach, in order to systematically connect design theory and applied work. This approach involves a focus on design principles that are grounded in research evidence and tested in applied work.

Subsequently, several generic principles of high involvement strategy formation are defined. These principles are illustrated by way of two high involvement design approaches that have been extensively tested in a variety of organizations: Appreciative Inquiry (AI) and Circular Organizing (CO). AI is a relational process of human organizing and change, grounded in inquiry, affirmation and appreciation. A key notion in AI is that individuals, teams and organizations grow and change in the direction of what they study (Whitney and Trosten-Bloom 2003). By comparison, CO involves a permanently organized space for crafting and implementing strategy and other forms of policy. This space is a so-called
circular structure that is added to, and then co-exists with, the administrative hierarchy. We summarize and compare AI and CO in terms of their main design principles.

GENERAL PRINCIPLES OF HIGH INVOLVEMENT STRATEGY MAKING

We define a high involvement approach to strategy formation as any well-defined and coherent set of principles, rules and practices that serves to accomplish strategic change in an inclusive manner. The key term here is ‘inclusive’, implying that all internal and external stakeholders engage in the strategy process. This definition implies, for example, that the widespread practice of strategy workshops – in which a core group of (e.g. middle and senior) managers participates – is not likely to be a high involvement approach.

Conventional strategy workshops do promote high involvement, but only by a (exclusively) select(ed) group of people. Several generic principles for crafting high involvement processes can be identified and defined. In this section we discuss the following generic principles: ethic of reciprocity, psychological safety, ideation, and simple rules.

Ethic of reciprocity. This key principle in high involvement processes synthesizes self-interest and altruism, a fundamental antagonism in social and economic life. The ethic of reciprocity, also known as the Golden Rule, implies that 'we should treat other people as we prefer to be treated ourselves' (e.g. Armstrong 2006; Hauser 2006). All major religions and cultures – including Buddhism, Christianity, Confucianism, Hinduism, Islam, Jainism and Judaism – have developed versions of the ethic of reciprocity (Armstrong 2006; Hauser 2006; Birnik and Billsberry 2008). As such, it is remarkable that these very different cultures – some with no or very limited contact between them – all embraced the same ethical principle (Birnik and Billsberry 2008). Any approach that aims to engage and involve people needs to respect and acknowledge the ethic of reciprocity.

Psychological safety. Psychological safety is an important condition for learning behavior, and in particular team learning. Psychological safety has been defined as the
"shared belief held by members of a team that the team is safe for interpersonal risk taking" (Edmondson 1999: 350). This implies that high involvement strategy making processes, in order to be effective, need to take place in settings that support individual learning and risk-taking – in the sense that participants perceive these settings as psychologically safe (cf. Baer and Frese 2003).

**Ideation.** Ideation, also known as idealized design, is about the creation of new ideas and solutions (Ackoff 1999). Boulding and Boulding (1995) argued that the images we hold of the future influence the decisions and actions we presently take. Ideation involves a strong focus on purposes, which serves to strip away nonessential aspects of the problem or challenge at hand. Ideation supports the creative emergence of larger purposes and expanded thinking (Romme 2003) and motivates participants to consider a wide spectrum of possible solutions (Banathy 1996). By identifying and agreeing upon an ideal target solution, the latter puts a time frame on the system/solution to be developed, guides near-term solutions, and infuses them with larger purposes (Nadler and Hibino 1990).

**Simple Rules.** High involvement processes can easily become rather unmanageable, in view of the huge (strategic) interests at stake, the large number of participants involved, and the diverse informational inputs required. Therefore, the rules and principles driving these processes need to be as simple and transparent as possible (cf. Eisenhardt and Sull, 2001), while also providing enough momentum and structure in view of the previous principles (ethic of reciprocity, psychological safety, idealized design).

In the next section, we will explore two specific approaches that build on these generic principles.

**TWO HIGH INVOLVEMENT APPROACHES**

Strategic change is more likely to occur and ‘stick’ if the whole organization is involved. A variety of organizational interventions that promote and draw on high involvement have
thus been developed. This section describes two particular approaches in more detail: Appreciative Inquiry (AI) and Circular Organizing (CO). We have selected these two approaches because they are described extensively in the literature and widely applied in practice. Moreover, AI and CO apparently may serve as the extremes of a particular continuum of high involvement systems for strategy making. AI appears to focus on creating “conversations that matter”, from which other changes then are likely to emerge (Whitney and Trosten-Bloom 2003: 78), whereas CO implies a focus on redesigning decision systems and processes throughout the organization, as a platform for other changes (Romme 1999).

**Appreciative Inquiry**

Appreciative Inquiry (AI) is about creating conversations that matter, to enhance and realize the potential of an organization and its people (Cooperrider and Whitney 1999). These conversations serve to transform one-way communication into an open, system-wide dialogue. The practice of AI has been informed and motivated by a set of principles derived from social constructionism (Gergen 1992), image theory (Boulding and Boulding 1995) and grounded research methods (Cooperrider and Srivastva 1987). A key principle is the simultaneity principle, implying that any kind of inquiry creates change ("the moment we ask a question, we begin to create a change" (Whitney and Trosten-Bloom 2003: 54). The anticipatory principle says that "Image inspires action. Human systems move in the direction of their images of the future. The more positive and hopeful the image of the future, the more positive the present-day action" (Whitney and Trosten-Bloom 2003: 54). The positive principle emphasizes that positive questions lead to positive change: "Momentum for large-scale change requires large amounts of positive affect and social bonding. This momentum is best generated through positive questions that amplify the
positive core” (Whitney and Trosten-Bloom 2003: 54). These and other AI principles are summarized in Table 1.

To translate and implement these principles toward high-involvement processes, AI draws on the 4-D cycle. This cycle can be used to guide a single conversation, a large group meeting, or a whole-system change effort (Cooperrider and Whitney 1999). The cycle begins with identifying what is to be studied – affirmative topics. Once selected, these topics guide the following 4-D cycle of Discovery, Dream, Design and Destiny. Table 1 provides more details on each stage of this cycle.

As such, AI appears to be instrumental in accelerating (strategic) change in organizations and communities by involving a broad range of internal and external stakeholders (e.g. Cooperrider and Whitney 1999). So-called AI summits are typically designed as a single event or a single series of events (usually 3-5 days in length) that gather diverse stakeholders in the organization system to (1) discover the organization’s core competencies and strengths; (2) envision opportunities for positive change; (3) design the desired changes into the organization or community’s systems, structures, strategies, and culture; and (4) implement and sustain the changes and make them work. AI Summits vary in size anywhere between 30 and 3000 people (Ludema et al. 2003).

AI summits have been used in the corporate, nonprofit, government, and community sectors to address a variety of change agendas, including leadership development, strategic planning, organization design, culture transformation, and others. Organizations that have used AI include John Deere, U.S. Cellular, British Airways, British Telecom, Hunter-Douglas, Roadway Express, Green Mountain Coffee Roasters, Nutrimental, Horseshoe Casino, Canadian Broadcasting Corporation, Canadian Department of National Defense, American Red Cross, and dozens of NGOs and communities around the world (Ludema et al. 2003).
Bush and Kassam (2005) reviewed and analyzed twenty cases in which AI was used. In all these cases, the intervention process began by collecting stories of the positive, followed engaging in the 4-D process. Only seven (35%) of the twenty cases showed transformational outcomes. Bush and Kassam observed highly consistent differences between these transformational cases and the other cases; that is, two qualities of appreciative inquiry that are different from conventional organizational development and change management approaches appear to be key to AI's transformative potential: (a) a focus on changing how people think instead of what people do and (b) a focus on supporting self-organizing change processes that flow from new ideas (Bush and Kassam 2005).

Insert Table 1 about here

Circular Organizing

Circular organizing (CO) arose from a deliberate quest, by a Dutch entrepreneur, for organizational practices that would facilitate participation by employees throughout the organization (Endenburg 1998; Romme 1999). As such, CO draws on the Quaker approach to unanimous decision-making and the cybernetic notion of circular flows. In this respect, the Quaker principle of unanimous decision making was adapted toward the principle of informed consent. Moreover, cybernetics served to design a circular governance structure in which power and authority flows top down as much as bottom up (Romme 1999). These initial ideas provided the starting point for a series of experiments in one particular firm, from which a number of detailed design principles and related practices were developed (Endenburg 1998; Romme and Endenburg 2006).

As such, the CO approach involves creating a permanent space for crafting, deciding on, and implementing strategy and business policy (Romme 1999). This permanent space is
a so-called circular structure that is added to, and then co-exists with, the administrative hierarchy (Endenburg 1998). Such a circular structure involves a network of circles, units of people with shared (work or other) objectives. Each circle has its own domain for policy making and every member of the organization belongs to at least one circle. Circles that have a hierarchical relationship are double linked, that is, at least two persons participate in both circles – the functional leader and an elected delegate of the lower circle. The higher circle elects and appoints the functional leader of the lower circle, whereas the lower circle elects its delegate in the higher circle. All circles decide on (strategic) policy, including the election of people for a variety of leadership and delegate roles, after an open discussion and on the basis of informed consent (Endenburg 1998; Romme 1999).

The administrative hierarchy, as a sequence of accountability levels, contains all functional leaders that are responsible and accountable for implementation of policies made in circles. This administrative hierarchy co-exists and interacts with the circular structure. Leaders in the line of hierarchy are responsible for implementing policy crafted and authorized in circle meetings (in which they also participate). Circles are responsible for policy making and monitoring the effectiveness of implemented policies. The delegates, that are chosen bottom-up, have a critical role in communicating new ideas and perspectives as well as monitoring operational processes. Table 2 provides more details regarding the design and implementation of CO.

CO was first developed and tried out by the Dutch entrepreneur Gerard Endenburg, and was subsequently also applied in more than thirty other organizations in the Netherlands, Brazil, USA and Canada (Romme and Endenburg 2006; Romme and Damen 2007). In a similar number of organizations, tryouts with CO did not lead to viable practices and results (Romme and Endenburg 2006). Comparative studies of a number of successful CO projects and less successful ones suggest the successful projects adopted a deliberate strategy to try out the circular approach in one or two units or groups, which served to contextualize and
adapt the intervention approach to the particular setting (Romme and Endenburg 2006; Romme and Damen 2007). In some projects, this contextualization involved tailoring the approach toward the needs and narratives of the organizational context. In other projects, it implied adapting the approach to an extremely critical setting. For example, in case of an industrial firm that was close to being declared bankrupt, the intervention team adopted several key elements of the circular approach but side-stepped several others, in order to produce visible results within several days (Romme 1998).

As such, Romme and Endenburg (2006) observed a lock-in effect as a result of initial choices for CO. That is, the CO approach was specified in principles and procedures that then increasingly became the standard intervention approach for the incumbent organization – with may decrease the flexibility and openness with regard to alternative perspectives and approaches.

As such, Romme and Endenburg (2006) observed a lock-in effect as a result of initial choices for CO. That is, the CO approach was specified in principles and procedures that then increasingly became the standard intervention approach for the incumbent organization – with may decrease the flexibility and openness with regard to alternative perspectives and approaches.

DISCUSSION
This concise review of AI and CO illustrates the importance of studying the rhetorics and instruments that may may enhance (or inhibit) high-involvement processes in strategic change. The review of AI as well as CO underscores that deliberate efforts to depart from conventional strategy thinking serve to promote alternative discourses (cf. Mantere and Vaara 2008).

The purpose of this paper is to identify key design parameters in setting up a high-involvement change trajectory. Both AI and CO draw on the generic principles of reciprocity, psychological safety, ideation, and simple rules. The ethic of reciprocity is evident from AI's focus on how people think and interact in conversations that are
AI deliberately tries to create psychological safety in two ways. First, it emphasizes positive questions that enhance positive affect and social bonding and amplify the positive core of the organization. Second, AI acknowledges the principle of free choice, implying people have freedom to choose how and what they contribute to the strategic change process. Similarly, CO attempts to create conditions that are psychologically safe by including people in decisions on issues that affect them, rather than senior management taking all decisions on strategic issues unilaterally.

The ideation principle is evident from AI's 4-D cycle, and in particular the Dream and Design stages. Whereas ideation in AI is an open process, it is practiced in CO in a more structured manner – by way of a set of guidelines for circular organizing which strongly depart from conventional change management ideas and tools.

Finally, AI and CO draw on the principle of simple and transparent rules. Tables 1 and 2 summarize the key rules and conditions for AI and CO. From the perspective of conventional approaches to change management, the question can be raised whether the rules constituting AI and CO are really that simple. However, it should also be noted that high-involvement strategy formation comes with a cost. That is, it may be more fair to compare AI and CO with organizational democracy systems (e.g. work councils) when it comes to rule density and complexity.

What are the main differences between AI and CO? The key difference appears to arise from the focus on "conversations that matter" (AI) versus "decisions that matter" (CO). As such, AI interventions tend to provoke major changes in individual thinking as well as group conversations, drawing on a positive appreciation of what is and what can be
created in the future. Once these initial changes are accomplished, the AI approach assumes and expects that self-organizing change processes will take over and cascade change throughout the organization. By contrast, CO interventions directly zoom into the power and authority relations within the organization, drawing on a detailed picture of how power can flow in a circular manner. This picture of a circular system provides a detailed vision, or target, of how the organization can be redesigned toward an infrastructure of connected platforms (circles) that enhance involvement and participation in change processes.

AI therefore appears to have an emergent quality – in terms of its capability to support self-organizing change processes that flow from new ideas (cf. Bush and Kassam 2005). In this respect, AI operates as a design that is left ‘incomplete’, which motivates participants to generate provisional workable solutions to emerging problems (cf. Garud, Jain and Tuertscher 2008). By contrast, the CO approach has a more deliberate quality, in the sense that it provides an ideal target situation as well as a set of process guidelines to help and motivate a complete restructuring of decision-making processes.

The shadow side of the open and emergent nature of AI is that change processes are easily undermined and put off, for example, when the organization is the object of a hostile takeover or when a new CEO is appointed. The shadow side of CO appears to be the major commitment required at the outset from senior executives and the board of directors; if this initial commitment is absent, any bottom-up initiatives and changes are likely to be demotivated and "killed" at the senior management level.

In sum, AI's focus on conversations implies a more open and flexible approach applicable in a broad spectrum of organizations/situations, whereas CO's focus on decisions leads to a fundamental redesign of organizational power relations that tends to apply to a more limited set of organizations. Table 3 summarizes the main design parameters for high involvement strategy formation, as they arise from comparing CO and AI.
CONCLUSION

The way we think and talk about strategy matters. Strategy scholars therefore need to actively engage in crafting discourses that are instrumental in creating participation and involvement in strategy formation. This paper provides a framework for understanding and designing high involvement processes for generating and implementing strategic change. We described and compared two high-involvement approaches that have been extensively tested in a variety of organizations: Appreciative Inquiry and Circular Organizing. This comparison suggests that the key design parameter for high-involvement strategy processes is the focus on conversations versus decisions that matter.

REFERENCES


*Organization Studies*, 20: 801-832.


Table 1: Overview of Appreciative Inquiry (Cooperrider & Whitney 1999; Whitney & Trosten-Bloom 2003; Whitney & Cooperrider 2000)

<table>
<thead>
<tr>
<th>Principles</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI is informed by several principles regarding human organizing and change:</td>
<td>• Constructionist principle: words create worlds. Reality, as we know it, is a subjective vs objective state. It is socially created, through language and conversations.</td>
</tr>
<tr>
<td></td>
<td>• Simultaneity principle: inquiry creates change. Inquiry is intervention. The moment we ask a question, we begin to create change.</td>
</tr>
<tr>
<td></td>
<td>• Poetic principle: we can choose what we study. Organizations, like open books, are endless sources of study and learning. What we choose to study makes a difference: it describes – even creates – the world as we know it.</td>
</tr>
<tr>
<td></td>
<td>• Anticipatory principle: Image inspires action. Human systems move in the direction of their images of the future. The more positive and hopeful the image of the future, the more positive the present-day action.</td>
</tr>
<tr>
<td></td>
<td>• Positive principle: positive questions lead to positive change. Momentum for large-scale change requires large amounts of positive affect and social bonding. This momentum is best generated through positive questions that amplify the positive core.</td>
</tr>
<tr>
<td></td>
<td>• Wholeness principle: wholeness brings out the best. Wholeness brings out the best in people and organizations. Bringing all stakeholders together in large group forums stimulates creativity and builds collective capacity.</td>
</tr>
<tr>
<td></td>
<td>• Enactment principle: acting “as if” is self-fulfilling. To really make a change, we must “be the change we want to see.” Positive change occurs when the process used to create the change is a living model of the ideal future.</td>
</tr>
<tr>
<td></td>
<td>• Free choice principle: free choice liberates power. People perform better and are more committed when they have freedom to choose how and what they contribute. Free choice stimulates organizational excellence and positive change.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Design Rules</th>
<th>To focus attention of an organization and unleash the energy of its positive core, AI draws on the 4-D cycle. This cycle can be used to guide a single conversation, a large group meeting, or a whole-system change effort.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The cycle begins with identifying what is to be studied – affirmative topics. Once selected, these topics guide the following 4-D cycle of Discovery, Dream, Design and Destiny.</td>
</tr>
<tr>
<td>2.</td>
<td>Discovery: an extensive, cooperative search to understand the ‘best of what is’ and ‘what has been.’ Typically conducted via one-on-one interviews, but in some instances also via focus groups or large group meetings. The Discovery process results in</td>
</tr>
<tr>
<td></td>
<td>- rich description (or mapping) of the organization’s positive core;</td>
</tr>
<tr>
<td></td>
<td>- sharing of stories of best practices and exemplary actions;</td>
</tr>
<tr>
<td></td>
<td>- emergence of unplanned changes well before engaging in the other stages of the 4-D cycle.</td>
</tr>
<tr>
<td>3.</td>
<td>Dream: an energizing exploration of ‘what might be.’ Typically conducted in large group forums. Participants collectively explore hopes and dreams for their work, working relationships, organization, and the world. The Dream stage is both practical and generative: it amplifies the positive core and challenges the status quo by helping people envision more valuable and vital futures.</td>
</tr>
<tr>
<td>4.</td>
<td>Design: giving form to values and ideas. Typically conducted in large group forums or within a small team. Participants draw on discoveries and dreams to craft and select high-impact design propositions. These provocative propositions are statements describing the ideal organization (‘what should be’), written in the affirmative.</td>
</tr>
<tr>
<td>5.</td>
<td>Destiny: inspired action and improvisation. The Destiny stage is about a series of</td>
</tr>
</tbody>
</table>
inspired actions that support ongoing learning and innovation (‘what will be’). Destiny activities are often launched in large group forums and continue as small group initiatives. The result of this final stage is an array of actual changes throughout the organization.

To get started with AI:
1. Decide whether to proceed with AI, on the basis of introductory sessions that
   - include both formal leaders and informal opinion leaders; by engaging the whole system in intro sessions, the organization experiences the power of full-voice participation;
   - include an appreciative interview experience for each participant, to demonstrate the capacity of AI to build relationships among diverse stakeholder groups;
   - introduces AI principles and the 4-D cycle, brought to live with stories;
   - focuses on applications, that is, encourage participants to use AI to do what already needs doing.
2. Facilitate the decision to proceed, by ending an introductory presentation with a "go/no-go" decision-making conversation. The answer may be yes, no, or maybe.
3. If a "go" decision is taken, then:
   - create an advisory team;
   - train the advisory team;
   - scope the project;
   - draft the inquiry strategy;
   - build organization-wide awareness
   (for details: Whitney & Trosten-Bloom 2003)

**Conditions**

Some conditions that must be present and/or respected:

1. Clear task: the task addressed must be clear, simply articulated and adhered to during the time of the AI intervention.
2. The whole system should be represented in the AI (4-D) process.
3. All voices are valued and all data made public.
4. Stick to the 4-D flow: review the past; map the present; focus on the future; identify common ground; and move to action.
### Principles

CO is informed by several principles, derived from cybernetics, for building self-regulating capacity:

- ‘Weaving’ must be possible.
- The circular process makes it possible to search. That is, a system is only able to maintain a state of dynamic equilibrium under the following conditions:
  - its steering and feedback circle is closed and performance is being measured
  - it has sufficient scope to weave from side to side
  - the circular process enables the system to search.
- ‘Mistakes’ must be made
- Boundaries are continually explored and set (i.e. do more with ‘more or less’)
- Acceptable limits are set and agreed upon
- Hierarchy is a fundamental property

### Design Rules

To build decision-making capacity for self-regulation and organizational learning, a circular design involves:

1. Policy decisions are taken by informed consent (defined as ‘no reasoned and paramount objection’).
2. Every member of the organization belongs to at least one circle, a unit of people with a common work objective; each circle formulates and updates its objective(s), performs the directing, operating and measuring/feedback functions, and maintains its skills/knowledge base by means of integral education.
3. The double link, i.e. the vertical connection between two circles, is constituted by the participation of at least two persons in both circles – including the functional leader and at least one elected delegate from the lower circle.
4. The circular structure, defined in the previous rules, is added to the administrative hierarchy. This administrative hierarchy, as a sequence of accountability levels, contains all functional leaders that are responsible and accountable for implementation of policies made in circles.
5. Circles elect persons only on the basis of informed consent, after an open discussion.

To get started with CO:

1. Obtain top management’s commitment early in the process, by raising the ‘how’ as well as ‘why’ question regarding the choice for a circular design.
2. Set up a project team that coordinates and monitors the implementation and experimentation process. Connect this project team directly with the top team: that is, the project team should include at least one top manager (preferably the CEO or managing director of the organization).
3. Invite external experts to help the project team, if this expertise is not available in the organization.
4. Organize the implementation process as an experiment, involving at least one pilot:
   - Each pilot involves a unit of people that is trained on the rights and skills linked to the circular process, decision-making by informed consent and integral education.
   - These pilots are embedded in ongoing operational and management processes.
   - After a predefined number of pilots, top management (including the Board of Directors, if any) takes a decision regarding organization-wide implementation, on the basis of a proposal drafted by the project team.
5. Create statutory safeguards to make the circular organization design sustainable over time.
<table>
<thead>
<tr>
<th>Conditions</th>
<th>The following conditions must be present or created:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The intention to create an organization that is economically as well as socially viable (i.e. economic profitability and psychological safety). The minimum requirement is that top management (incl. the board) shares this intention when implementing the circular approach; preferably, other people in the organization share this intention.</td>
</tr>
<tr>
<td></td>
<td>• All members of the organization have access to information systems and flows. Exceptions to this rule can be made, but only if the ‘why’ and ‘how’ of these exceptions are transparent.</td>
</tr>
<tr>
<td></td>
<td>• There is a sequence of unambiguous levels of accountability in the organization that differentiates the performance of the entire system into higher and lower level issues. Without this type of hierarchy, a circular structure cannot be designed.</td>
</tr>
</tbody>
</table>
Table 3: Key parameters in designing high-involvement strategy formation

<table>
<thead>
<tr>
<th>Appreciative Inquiry</th>
<th>Circular Organizing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on <em>conversations that matter</em> (i.e. conversations that are deliberately positive and appreciative of the other)</td>
<td>Focus on <em>decisions that matter</em>; (i.e. decisions on policy issues at all organizational levels)</td>
</tr>
<tr>
<td>Capability to support (emerging) self-organizing change processes that flow from new ideas</td>
<td>Capability to provide an ideal (deliberate) target situation that implies a complete restructuring of power relations</td>
</tr>
</tbody>
</table>