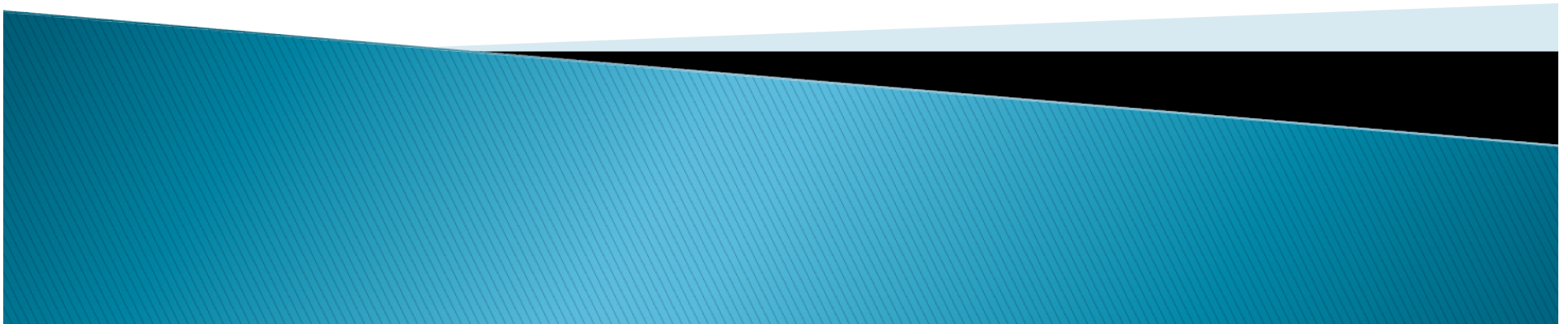


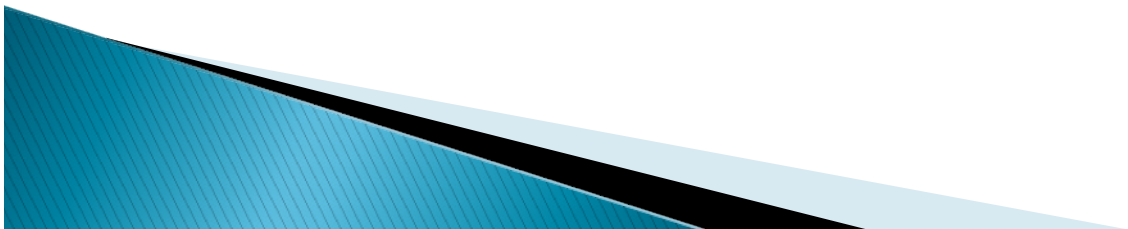
Cultivating Shared Mental Models and Social Capital:

The Art of Institution-Building within Effective Organizations (Drawing on Lessons from Deming, Drucker, Denzau and North and Others)



Workshop Agenda:

- ▶ **9:00-9:15 introductions (purpose and workshop agenda)**
- ▶
- ▶ **9:15-9:45 Dr. Ravi K. Roy comments on building organizational capacity: lessons from Deming: QM; Denzau-North: SMM; Putnam: Organizational Trust; Drucker: Learning Organizations.**
- ▶
- ▶ **9:45-10:10 Dr. Arthur T. Denzau comments substantively on how he and Nobel laureate, Dr. Douglass C. North, drew on real-world observations to inform their seminal work on Shared Mental Models: lessons from Russia and insights from Motorola.**
- ▶
- ▶ **10:10-10:30 Question: What sorts of things build mental models, trust and group process identity**
- ▶
- ▶ **10:30-10:45 Break**
- ▶
- ▶ **10:45-11:15 Dr. Julia E. Hoch empirical research on Shared Mental Models and virtual organizations**
- ▶
- ▶ **11:15-11:35 Reconvene and watch Dr. Paul Zak's TED Video on the "biology of social trust"**
- ▶
- ▶ **11:35-12:00pm Dr. Bill Bellows gives a gripping wrap-up with shared insights on Deming**
- ▶



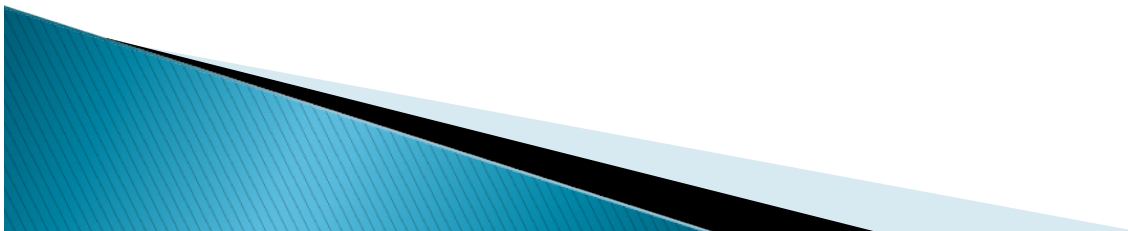
Presenters

- ▶ **Dr. Ravi K. Roy, Associate Director of Graduate & Professional Education (Tseng College) and Academic Director of the MPA Program, CSUN**
- ▶ **Dr. Arthur T. Denzau, Professor Emeritus of Economics, Claremont Graduate University and Professor of Economics and Finance, Sultan Qaboos University**
- ▶ **Dr. Julia E. Hoch, Asst. Professor of Management, College of Business and Economics, CSUN**
- ▶ **Dr. Bill Bellows , Associate Technical Fellow in the Enterprise Thinking Network at United Technologies' Pratt & Whitney Rocketdyne, Visiting Research Fellow at the University of Leeds in England, and as a board member of the W. Edwards Deming Institute**



What is organizational capacity?

- ▶ How do we know it when we see it?
- ▶ How do we build it?
- ▶ How do we measure it?

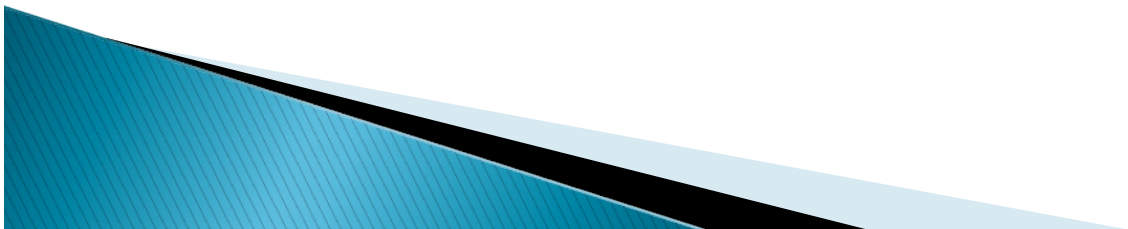


Organizational Capacity

- ▶ *Capacity is an abstract term that describes a wide range of capabilities, knowledge, and resources that nonprofits need in order to be effective. What makes an organization effective? According to Grantmakers for Effective Organizations, it is “the rededication to achieving results.” Organizational capacity is multi-faceted and continually evolving.*

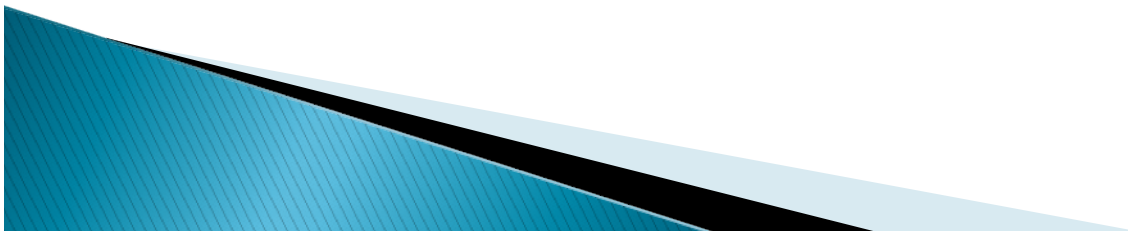
Report from 2000 GEN-GEO Conference. (Grantmakers Evaluation Network and Grantmakers for Effective Organizations, 2000) p.2.

<http://www.oac.state.oh.us/grantsprogs/BuildingCommunitiesEnglish/ComponentsOrganizationalCapacity.doc>.



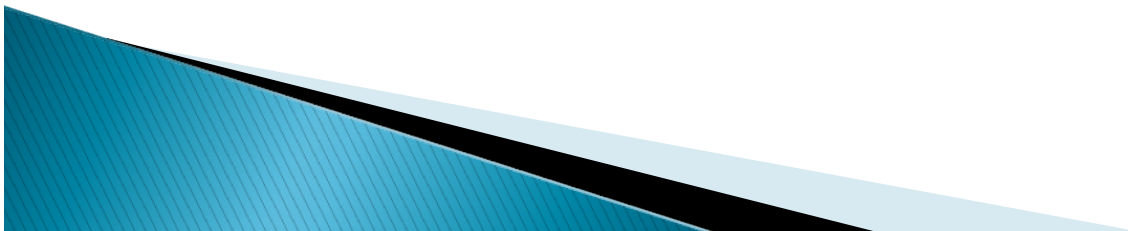
Organizational capacity is a function of: institution-building.

- ▶ What is the difference between institutions and organizations?
- ▶ How are they related?
- ▶ Douglass C. North defines institutions as “humanly devised constraints that structure political, economic and social interactions.”¹



Organizational Capacity

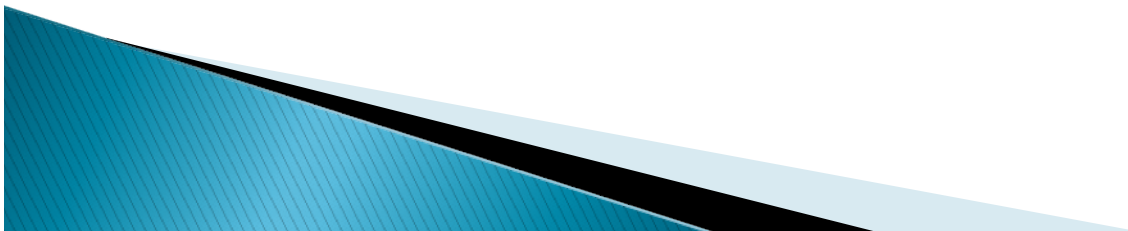
- ▶ $ORGCAP = f(SMM + SOC + VALHUM + TQM)$



Shared Mental Models & Organizational Capacity

- ▶ Developing shared mental models (SMM): what are SMMs and how are they developed?
(Developing shared missions, visions, ideologies within and across organizations in unstable and uncertain environments)

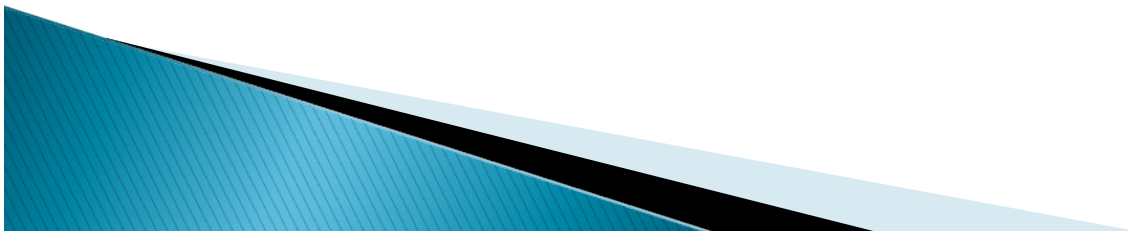
Arthur T. Denzau and Douglass C. North



Social “K” & Organizational Capacity

- ▶ Developing Social capital (SOC K): What is Social K and how is it developed?
(Developing interpersonal trust, *civicsness* within and across organizations)

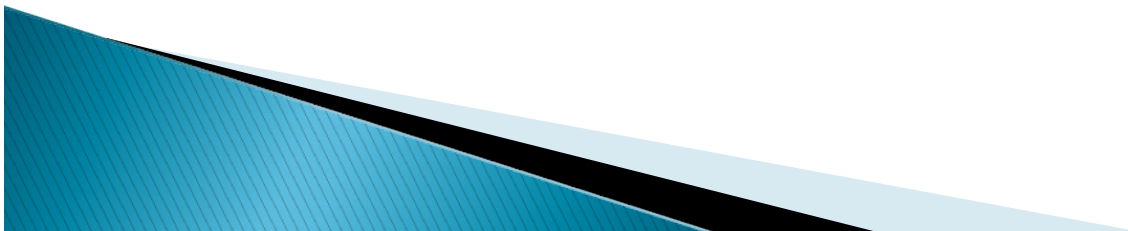
Robert D. Putnam



Value-Added Human K & Organizational Capacity

- ▶ Developing Human Capital: What is “value-added” human capital? Why is value-added human capital (knowledge manager) vital to the “learning organization?”
- ▶ How is it developed?

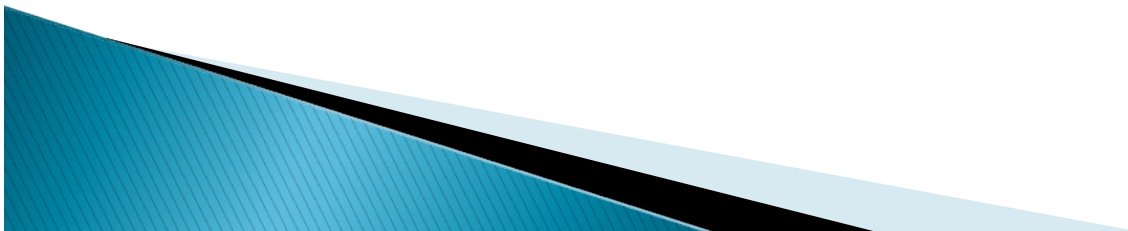
Peter F. Drucker



TQM & Organizational Capacity

- ▶ Creating and sharing new forms of knowledge across the various purposes and visions that organizations develop that directly shapes the essential functions, operations, duties and tasks that it performs
 - Thereby creating a synergy between SMM and TQM

William E. Deming



Let the Workshop Begin...

