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Understanding Transactional and Generative Relationships

By Jon Vogen

Introduction

Our world is becoming more complex as a result of technological growth, mobility, the desire for economic prosperity and societal well-being. There is an increasing interdependence of government, social and business structures which has been causing a shift in the number of interactions each of us must do in our work and personal lives. These interactions can be for productivity, time efficiency, convenience, learning, connection or some other reason but it does create additional complexity for both individuals and organisations. It also points to the question of how we interact. It is this question I am addressing in this article because I believe we have a choice in how we interact which leads to different consequences in the qualities of our relationships.

For the last 25 years I have been an organisation development (OD) practitioner focusing on how people and organisations work together to produce desired results. I have applied my knowledge in the typical activities of OD: organisation architecture, leadership and team development, strategic planning and organisation cultural change. This practice has shaped my thinking about the importance of interactions and relationships in navigating organisational change, learning, communication and collaboration. It has also reinforced my belief that how we engage has an impact on our own well-being and ability to flourish. I developed a simple framework using the terms 'transactional' and 'generative' to describe relationships at either end of a spectrum. Using this framework allowed me to examine the character of a particular interaction and how it affected the nature of the relationship.

Many of the interactions driven by the complexity described above have been at the transactional end of the spectrum. It takes conscious intention to move along the spectrum to

an interaction that is more generative. Choosing how to engage allows you to also choose how the interaction will affect your well-being, learning and the value each party derives from the interaction.

So What are Transactional and Generative Relationships?

A transactional relationship is one that is based on interactions that have the purpose of achieving a desired outcome, product or action. There is an expectation of give and take, reciprocity or quid pro quo. I will give you something and you give me something in return. For example, if you go into a shop, offer money to the cashier for your purchase and walk out with a newspaper there is not much involved in the interaction other than the result. It is not enhancing the connection between you as the customer and the clerk or changing the quality of the relationship. Our lives are full of these types of transactions where closure and completion are the end goal.

Generative relationships on the other hand are based on interactions that shift the fundamental nature of the relationship and can lead to enhanced levels of engagement, learning, collaboration and growth. These interactions build capacity and provide a different value as a result of the engagement. For example, if the customer mentioned above enters the shop and comments on the great selection of newspapers and how efficient the cashier is at handling a long line of people it can cause a shift in the interaction. It can begin developing a shared feeling of connection and open the situation to more opportunities. The simple act of moving beyond the transaction toward seeing the other party as an individual and not as a means to an end sets the stage for further connected interaction.

Transactional interactions are an essential part of our lives and allow us to move within our environment with relative ease. Much of our daily activity can be done in a transaction, such as using online banking, getting petrol at the local station or buying a bus ticket. There are also many situations where you engage in an interaction with no investment in nurturing a full relationship. Interactions such as ordering food at a drive-up window or making a bank deposit are likely to be more transactional. These interactions have an ending and a sense of being contained in the moment.

With generative interactions something new is created by the interaction which can go on to build the capabilities of both parties and add value to each. It requires an openness to influencing one another there is a sense of connection as the two parties shape the interaction. It is also unpredictable as you do not know what new learning or behaviour might occur with the new opportunities generated for each party. This type of interaction starts with a beginning and continues with new beginnings. Mentoring and parenting are examples of relationships where generative transactions regularly occur.

Responding to the Increased Complexity of Our Environment

In the introduction I mentioned that many interactions are at the transactional end of the spectrum which has both personal and organisational implications. Matthew Lieberman (2013) describes how economists use 'social capital' and 'relational goods' to put an economic value on our relationships and how they relate to well-being. We have moved from concepts such as 'feeling satisfied' and 'agreeing on a result with a handshake' to requiring 'more proof of intention' or a 'specified contract for our engagement'.

As an OD practitioner and leader within in a large corporation I noticed changes in the internal culture as the organisation became more complex. There were subtle shifts such as the use of a website to support employee needs versus having 'human contact' in the HR office. The concept of 'you own your employability' took the place of guided career planning. New employee integration changed from a one-day integration session with mentoring to an online class about the organisation that individuals were expected to take within the first few months of employment. The global virtual environment pushed the use of more productivity tools and technologies to aid in virtual interaction.

These were reactions to the growing complexity and perceived need for more control of the internal and external environment. The consequence was a shifting culture from one of collaboration, risk taking and challenging the status quo to one with more managed control of interactions and performance. Over time there was a loss in the connection of individuals to each other, the organisation and its values.

The availability of technology can help with extended relationships but can also disconnect us from our most intimate ones. We use technology for a connection we can control and where we can portray ourselves in a particular way through editing. Texting, tweeting, emailing and posting are normal transactional interactions for us. As we become dependent on the social connectedness of the digital world we need to be intentional about creating and sustaining 'real' connectedness. In *The Digital Invasion*, Hart and Frejd (2013) offer that 'real conversations are hard work, messy, challenging, unpredictable, and time consuming, but they are worth it'.

With the complexity of our personal and organisational lives it may be easier or also necessary to have transactional interactions for much of our activity. We like interactions we can control and that are not 'messy' and do not need our whole being to engage. They serve a purpose. On the other hand, we know the rewards of having an interaction where both parties are enhanced and where a stronger connection is realised. I would suggest that moving ourselves on the spectrum toward more generative interactions has benefit for our well-being and a different way of dealing with complexity.

Differences in Transactional and Generative Interactions

In the workplace people may write an email to someone sitting next to them instead of having an actual conversation. We find it easier to do because we are also completing the goal we have to clean up our inbox. It might be the right type of interaction, but there could also be something of more value brought to a decision or quality of thinking by engaging in a more personally connected way.

Managers might give a directive rather than engaging employees to make a collaborative decision. If the employee does not understand the directive and there is not an interaction that allows him to connect to it in a meaningful way, the decision might not have the impact desired by the manager. An employee might say 'Yes I will do what you say but my heart and soul will not be in it.' This is referred to as 'grudging compliance' which does not help the process of enrolling people in the decision. To make this more generative the manager could offer their thoughts about a decision to the team, ask them to brainstorm about benefits and challenges, alternative proposals or methods for deploying the decision. This might make it more unpredictable but would allow for more creativity, generate better understanding and provide more connection to the process and end result.

In another situation a manager might be providing some corrective feedback to an employee without engaging with them to see if they understand the feedback. This would be a more transactional interaction because it provides one view point and it is closed at the completion of the session. A more generative interaction would be to seek for understanding of the feedback, ask for suggestions on improving the supervisory relationship, and to provide a process of mentoring for the employee to shape the desired capability or behaviour.

My early classroom experiences were marked by the traditional structure of the teacher in front of the room providing information, reading textbooks that supported the lesson plan and taking notes for my own reference. The goal was to remember enough of the facts, figures and models that were presented so I could pass the exams. This was transactional learning for the test and not the underlying principles. Exceptions to that were because of the qualities of the teacher and the amount of collaborative learning that occurred. In one of my most memorable experiences we engaged with our teachers while seated in a circle. Concepts were explored, shaped and individual and group learning was enhanced. It had the quality of opening possibilities and often left more questions than answers. This was learning for the underlying principles and I consider this experience to be generative.

The differences are seen in all settings. I observed a situation in a coffee shop recently where a photographer was discussing the set up for a photo shoot with a couple that was planning a wedding. The photographer initiated the conversation with a description of how to set up a good shot, how she generally gets compensated, her history of wedding photography and the quality of her past pictures. She did this description before she inquired about the young

couple's interest or needs. I noticed that this set a transactional tone for the discussion which she may have thought appropriate to conducting business. But I wondered about the value for the young couple who may have wanted a different interaction with an individual who was going to document a very important event in their lives. It highlighted to me the subtle ways we might think we are creating a generative experience when we are actually in a transactional interaction.

Opening Ourselves to More Generative Interactions and Relationships

In *Energising Social Interactions*, Robert Rosales (2015) offers that if organisations desire good performance they should promote positive social interactions to build positive workplaces. These enable people to have connections that provide them with vital resources to do their work. 'Therefore, organisations would be well inspired to focus on generative processes that contribute to developing positive relationships and high-quality connections so that people do not die but, instead, flourish at work'.

In the organisation setting there are ways to create a more generative environment or culture. This can include promoting more self-directed employee engagement, collaborative teamwork and open communication. These allow an individual to connect to organisation expectations, outcomes and other people in a way that is personally meaningful and promotes both individual and group learning. Quality circles, self-directed work teams and innovation project teams are specific examples of structures or methods that are designed to promote generative learning by engaging people to produce synergy or value greater than they could on their own. These types of organisational methods promote a perspective of 'learning to learn' and 'learning how you learn' in addition to traditional 'learning to know and act' which is the more traditional method of top down direction and learning.

In my organisation development practice, I have had the opportunity to work with processes that have generative qualities. Appreciative inquiry, dialogue, scenario planning, learning journeys, improvisation and exploration of differences are among those I use to help individuals and organisations. These are generative because they are about opening to new possibilities, learning and producing more value for all involved. They have qualities of innovation, creativity, surprise, risk taking and engaging your whole being which are characteristics of a generative interaction. In a dialogue circle the purpose is to explore new questions versus arriving at answers and in scenario planning the core question is 'what if?' Improvisation and learning journeys allow for exploration of the edge of 'knowing' and 'learning' which is both uncomfortable and enriching. These all have common principles of awareness, openness, collaboration and reflection which I believe are also fundamental characteristics of generative transactions and relationships.

I would propose that any opportunity for human interaction offers the chance for it to be done in a different way. Lane and Maxfield (1996) consider that a generative relationship produces

new sources of value which cannot be foreseen in advance. I interpret that to mean there is more synergy and that all benefit in a more holistic way. We just need to be open to the current moment providing something upon which to act.

I observed an interaction recently of two young people asking a woman for money. She had a choice to turn them away, just give them the money or engage with them as people. She chose the latter. In the course of a few minutes she had learned their names and their needs in a challenging personal situation. She advised them about an agency that could help them get their financial and medical situation corrected. They had not walked away after not initially receiving money but stayed and engaged in the conversation. The man said he was a rap artist and then performed for her there in the parking lot. The woman encouraged him to also use his talent to help them move out of their difficult circumstances. As the couple was leaving they thanked the woman for making them feel like she cared about them and their well-being. I believe all of them walked away feeling more enriched by that experience.

Though I have outlined some methods or tools these are not needed to move toward more generative interactions. It does take intention and awareness as a first step just as it does in learning. It is hard to create generative interactions without being aware of who you are and how you engage. Self discovery and reflection are a part of that awareness building process. Openness to others, accepting and providing feedback and willingness to change are a critical part of building generative relationships. It requires bringing your whole self to the engagement and being authentic, transparent and open to the shifts that will occur however challenging, fearful or delightful those changes might be.

Final Thoughts

There are elements not addressed in this article that can add layers of complexity to our personal and work situations. Culture, family systems, values, beliefs, economics, globalisation, education and personal diversity are examples of these. Some cultures value more independence and self reliance while others have a sense of community and wholeness that guides social engagements and learning behaviour. The drive for economic growth or more professional success in our lives can create momentum to stay in a more transactional pattern. All of these sorts of things add additional complexity to the context in which we interact with others.

We can use the same principles and qualities to create generative interactions through all these layers of complexity. It just takes being aware, creating an intention and choosing to interact with your whole being in both personal and organisational settings. I believe that making the choice has a sustained benefit for our well-being and the quality of our relationships and results. I have found that holding myself with an open and generative perspective has enabled me to be in more connection with myself and with the people and environment around me. It has allowed me to notice and engage in experiences I might have

missed. While transactional interactions remain a part of our lives and environment the opportunity to move along the spectrum is there.

Author

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