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Organization Development

Key concepts and terms

- Action research
- Group dynamics
- Intervention
- Organization development (OD)
- Process consulting
- Survey feedback
- Behaviour modification

- Integrated strategic change
- Neuro-linguistic programming (NLP)
- Organizational transformation
- Sensitivity training laboratories (T-groups)
- Transactional analysis

Learning outcomes

On completing this chapter you should be able to define these key concepts. You should also know about:

- Features of organization development programmes

- Organization development activities

- The assumptions and values of organization development

Introduction

Organization development (OD) is about taking systematic steps to improve organizational capability. It is concerned with process – how things get done. In this chapter, organization development is defined, organization development strategies are examined, consideration is given to the assumptions and values of OD, and OD activities are described. Processes associated with OD for managing change and organizational transformation are dealt with in Chapter 25.

Organization development defined

Organization development is defined by Cummins and Worley (2005) as: 'The system-wide application and transfer of behavioural science knowledge to the planned development, improvement and refinement of the strategies, structures and processes that lead to organizational effectiveness'.

Organization development defined, French and Bell (1990)

A planned systematic process in which applied behavioural science principles and practices are introduced into an ongoing organization towards the goals of effecting organizational improvement, greater organizational competence, and greater organizational effectiveness. The focus is on organizations and their improvement or, to put it another way, total systems change. The orientation is on action – achieving desired results as a result of planned activities.

SOURCE REVIEW

Organization development aims to help people work more effectively together, improve organizational processes such as the formulation and implementation of strategy, and facilitate the transformation of the organization and the management of change. As expressed by Beer (1980), OD operates as: 'A system-wide process of data collection, diagnosis, action planning, intervention and evaluation.'

OD is based on behavioural science concepts, but during the 1980s and 1990s the focus shifted to a number of other approaches. Some of these, such as organizational transformation, are not entirely dissimilar to OD. Others such as change management are built on some of the basic ideas developed by writers on organization development and OD practitioners. Yet other approaches

such as high-performance work systems, total quality management and performance management can be described as holistic processes that attempt to improve overall organizational effectiveness from a particular perspective. More recently, as noted by Cummins and Worley (2005), the practice of OD has gone 'far beyond its humanistic origins by incorporating concepts from organization strategy that complement the early emphasis on social processes'.

Organization development programmes

OD programmes are concerned with system-wide change and have the features described below.

Features of organization development programmes

1. They are managed, or at least strongly supported, from the top but may make use of third parties or 'change agents' to diagnose problems and to manage change by various kinds of planned activity or 'intervention'.

2. The plans for organization development are based upon a systematic analysis and diagnosis of the strategies and circumstances of the organization and the changes and problems affecting it.

3. They use behavioural science knowledge and aim to improve the way the organization copes in times of change through such processes as interaction, communication, participation, planning and conflict management.

4. They focus on ways of ensuring that business and HR strategies are implemented and change is managed effectively.

Assumptions and values of organization development

OD is based upon the assumptions and values listed below.

Assumptions and values of organization development

- Most individuals are driven by the need for personal growth and development as long as their environment is both supportive and challenging.

- The work team, especially at the informal level, has great significance for feelings of satisfaction and the dynamics of such teams have a powerful effect on the behaviour of their members.

- OD programmes aim to improve the quality of working life of all members of the organization.

- Organizations can be more effective if they learn to diagnose their own strengths and weaknesses.

- Managers often do not know what is wrong and need special help in diagnosing problems, although the outside 'process consultant' ensures that decision making remains in the hands of the client.

- The implementation of strategy involves paying close attention to the people processes involved and the management of change.

Organization development activities

Action research

This is an approach developed by Lewin (1951) that takes the form of systematically collecting data from people about process issues and feeding it back in order to identify problems and their likely causes. This provides the basis for an action plan to deal with the problem that can be implemented cooperatively by the people involved. The essential elements of action research are data collection, diagnosis, feedback, action planning, action and evaluation.

Survey feedback

This is a variety of action research in which data are systematically collected about the system and then fed back to groups to analyse and interpret as the basis for preparing action plans. The techniques of survey feedback include the use of attitude surveys and workshops to feed back results and discuss implications.

Interventions

The term 'intervention' in OD refers to core structured activities involving clients and consultants. The activities can take the form of action research, survey feedback or any of those mentioned below.

The three primary tasks of the OD practitioner or interventionist, Argyris (1970)

1. Generate and help clients to generate valid information that they can understand about their problems.

2. Create opportunities for clients to search effectively for solutions to their problems, to make free choices.

3. Create conditions for internal commitment to their choices and opportunities for the continual monitoring of the action taken.

Process consultation

As described by Schein (1969), this involves helping clients to generate and analyse information they can understand and, following a diagnosis, act upon. The information will relate to organizational processes such as inter-group relations, interpersonal relations and communication. The job of the process consultant was defined by Schein as being to 'help the organization to solve its own problems by making it aware of organizational processes, of the consequences of these processes, and of the mechanisms by which they can be changed'.

Group dynamics

Group dynamics (a term coined by Lewin, 1947) are the processes that take place in groups that determine how they act and react in different circumstances. Team-building interventions can deal with permanent work teams or those set up to deal with projects or to solve particular problems. Interventions are directed towards the analysis of the effectiveness of team processes such as problem solving, decision making and interpersonal relationships, a diagnosis and discussion of the issues, and joint consideration of the actions required to improve effectiveness.

Inter-group conflict interventions

As developed by Blake *et al* (1964), these aim to improve inter-group relations by getting groups to share their perceptions of one another and to analyse what they have learnt about themselves and the other group. The groups involved meet each other to share what they have learnt, to agree on the issues to be resolved and the actions required.

Personal interventions

These include:

- neuro-linguistic programming (NLP) in which people learn to programme their reactions to others and develop unconscious strategies for interacting with them;

- sensitivity training laboratories (T-groups), which aim to increase sensitivity, diagnostic ability and action skills;

- transactional analysis – an approach to understanding how people behave and express themselves through transactions with others using the parent–adult–child model to do so;

- behaviour modification – the use of positive reinforcement and corrective feedback to change behaviour which, as developed by Luthans and Krietner (1985), involves identifying the behaviours to be modified, measuring the extent to which these behaviours occur, establishing what causes the behaviours and their consequences, developing an intervention strategy to strengthen desirable behaviours and weaken dysfunctional behaviours, and evaluating the outcome.

Integrated strategic change

Integrated strategic change methodology is a highly participative process conceived by Worley *et al* (1996). The aim is to facilitate the implementation of strategic plans. The steps required are:

1. Strategic analysis, a review of the organization's strategic orientation (its strategic intentions within its competitive environment) and a diagnosis of the organization's readiness for change.

2. Develop strategic capability – the ability to implement the strategic plan quickly and effectively.

3. Integrate individuals and groups throughout the organization into the processes of analysis, planning and implementation to maintain the firm's strategic focus, direct attention and resources to the organization's key competencies, improve coordination and integration within the organization, and create higher levels of shared ownership and commitment.

4. Create the strategy, gain commitment and support for it and plan its implementation.

5. Implement the strategic change plan, drawing on knowledge of motivation, group dynamics and change processes, dealing with issues such as alignment, adaptability, teamwork and organizational and individual learning.

6. Allocate resources, provide feedback and solve problems as they arise.

Organization development – key learning points

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- The implementation of strategy involves paying close attention to the people processes involved and the management of change.

Organization development activities

Action research, survey feedback, interventions, process consultation, group dynamics, inter-group conflict resolution, neuro-linguistic programming, sensitivity training, transactional analysis, behaviour modification, and integrated strategic change.

Questions

1. Organization development (OD) emerged in the 1960s as part of the behavioural science movement. Is this still valid today?

2. Can you give examples of any successful OD programmes? Draw on recent research for your answer.

3. You have been asked to give a talk to a postgraduate management conference on 'The qualities required of an effective OD practitioner'. Outline what you will say and explain its relevance for developing the capability of your own organization.

4. Why has organization development been described as a quasi-religious movement?

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