Organization Development

About Organization Development (OD)

- **Relatively new field of study – 50's & 60's**

- **OD is about how organizations and people function and how to get them function better**

- **Start Point – when the leader identifies an undesirable situation and seeks to change it.**

- **Focus - Making organizations function better (total system change).**

- **Orientation - Action (achieving results through planned activities).**

- **No unifying theory – just models of practice**

OD is an organization improvement strategy

Start Point

Poor alignment to organization's strategy

Inappropriate organization structure

Low productivity

Poor quality

Poorly designed tasks

Poor morale

Organization

Intergroup conflict

Unclear goals

Organization Development

Interpersonal conflicts

Poor team performance

Inappropriate leadership style

Focus

■ **Change – new state of things, different from old state of things**

■ **Can be viewed as an opportunity or as a threat**

■ **Change**

First order change (making moderate adjustments)

Second order change (reinvent, reengineer, rewrite)

What needs to be changed and how to go about it

OD consultants are experts in organizational change

Orientation

Diagnosing

↓

Taking Action

↓

Re-Diagnosing

↓

Taking New Action

↓
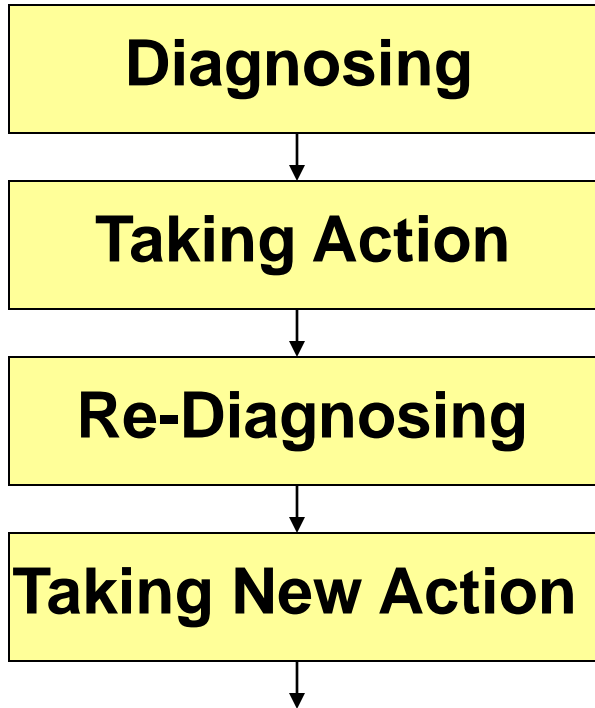
This process is known as
'Action Research'

Three ingredients:

1. **Participation**

2. **OD consultant (as collaborator & colearner)**

3. **Iterative process of diagnosis & action**

■ **Change occurs based on the actions taken**

■ **New knowledge comes from examining the results of the actions.**

Definition(s) of OD

Organization Development is an effort (1) *planned*, (2) *organization-wide*, and (3) *managed from top*, to (4) *increase organization effectiveness* and *health* through (5) *planned interventions* in organization's "processes", using *behavioral-science* knowledge.
…Beckhard, 1969

Organization Development is a process of planned change – change of an organization's culture from one which avoids an examination of social processes (especially decision making, planning and communication) to one which institutionalizes and legitimizes this examination. **…Burke & Hornstein, 1972**

Organization Development is a systematic application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness.
…Cummings & Worley, 1993

Organization development is a planned process of change in an organization's culture through the utilization of behavioral science technologies, research, and theory.
…Burke, 1994

History of OD

Four major stems of OD
- (1) T-group
- (2) Survey Feedback Technology
- (3) Action research
- (4) Sociotechnical & Socioclinical approaches

(1) T-Group (Laboratory Training) – participants learn from their own actions and the group's evolving dynamics

(2) Developing reliable questionnaires, collecting data from personnel, analyzing it for trends, and feeding the results back to everyone for action planning

(3) Diagnosing, taking action, re-diagnosing and taking new action

(4) Integrate social requirements of employees with technical requirements needed to do work in provided environment.

Second-Generation OD

- **Organization Transformation**

- **Organizational Culture**

- **Learning Organization**

- **Total Quality Management**

- **Visioning and Future Search**

- **Business Process Reengineering**

- **Quality of Work Life**

Models and theories of Organizational Change & Development

1. *Three-stage Change model* – **Kurt Lewin**

2. seven-stage model –Lippitt, Watson and Westley

3. **Ralph Kilmann's Five track model of organizational change**

4. The Burke-Litwin Model of Organizational Change

5. Porras & Robertson Model of Organizational Change

6. The Congruence Model of **Nadler**

7. Socio-technical Systems Theory (STS)

Models and theories

Kurt Lewin

Change is a three-stage process
Stage 1- **Unfreezing** the old behavior/ situation
Stage 2- **Moving** to a new level of behaviors
Stage 3- **Refreezing** the behavior at the new level

Edgar Schein modified this theory by specifying psychological mechanisms involved in each stage

Later **Ronald Lippitt**, **Jeanne Watson** and **Bruce Westley** expanded this model into **seven-stage** model

Models and theories Contd..

Seven stage model representing the consulting process

Phase 1 | **Developing a need for change.**

Phase 2 | **Establishing the change relationship.**

Phase 3 | **Diagnosing the client system's problem.**

Phase 4 | **Examining alternative routes, establishing goals and intentions of action.**

Phase 5 | **Transforming intentions into actual change efforts.**

Phase 6 | **Stabilizing change.**

Phase 7 | **Achieving a terminal relationship.**

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Models and theories

Ralph Kilmann

Five critical leverage points (tracks) for organization change

1. The culture track

2. The management skills track

3. The team-building track

4. The strategy-structure track

5. The reward system track

Track 1 : Enhances trust, communication, information sharing
Track 2 : Provide new ways of coping with complex problems
Track 3 : Infuses new culture and updated management skills
Track 4 : Develops revised strategy plan for organization
Track 5 : Establishes performance based reward system

SUCCESS **AT&T, Eastman Kodak, Ford, General Electric, Xerox etc.**

Models and theories

The Burke-Litwin Model of Organizational Change

Warner Burke

Change

First order change (Transactional change)

Second order change (Transformational change)

OD interventions directed towards structure, management practices, and systems (policies & procedures) result in first order change.

OD interventions directed towards mission and strategy, leadership, and organization culture result in second order change.

Models and theories Contd..

Transformational factors

Transactional factors

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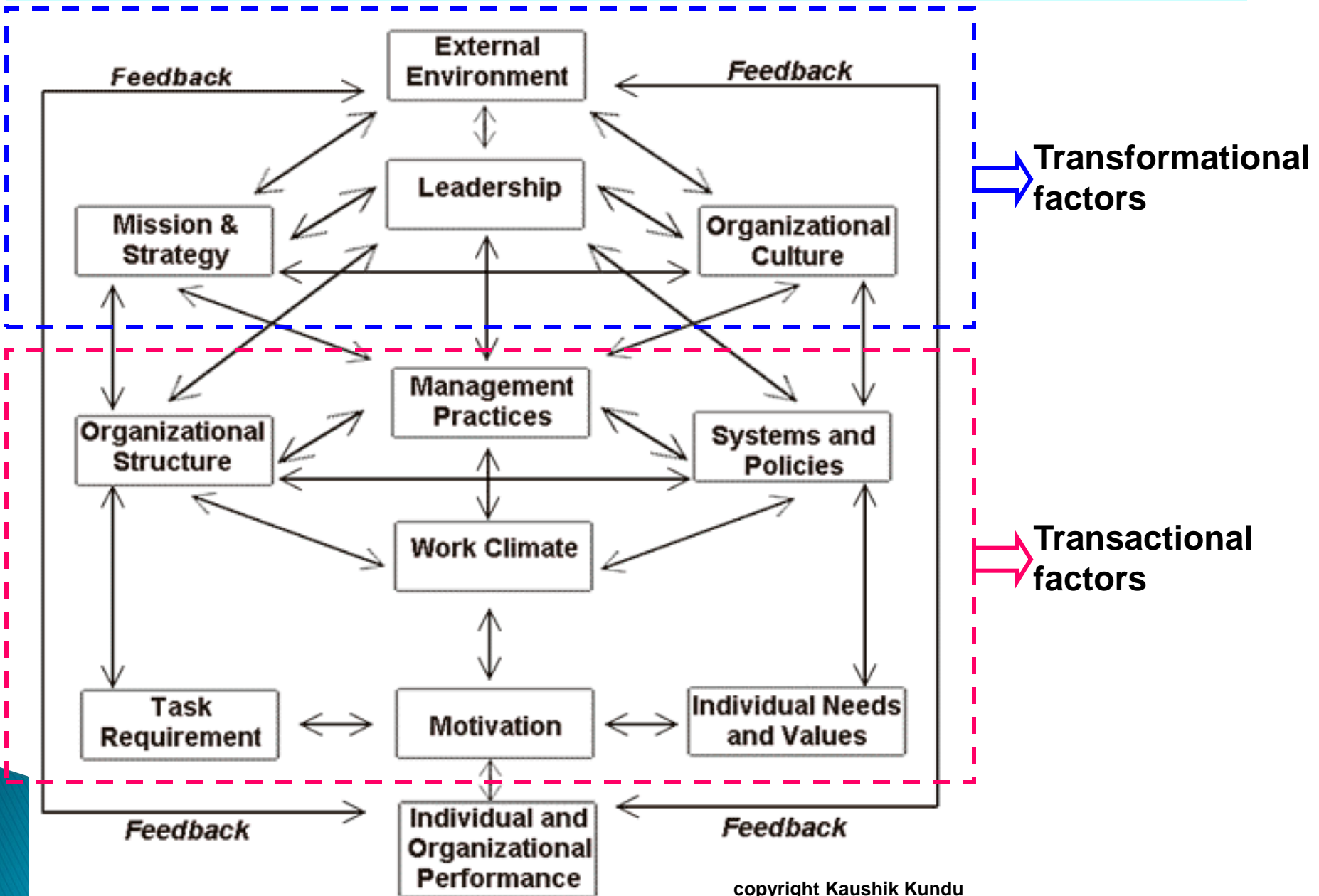
Models and theories Contd..

Jerry Porras   **Peter Robertson**
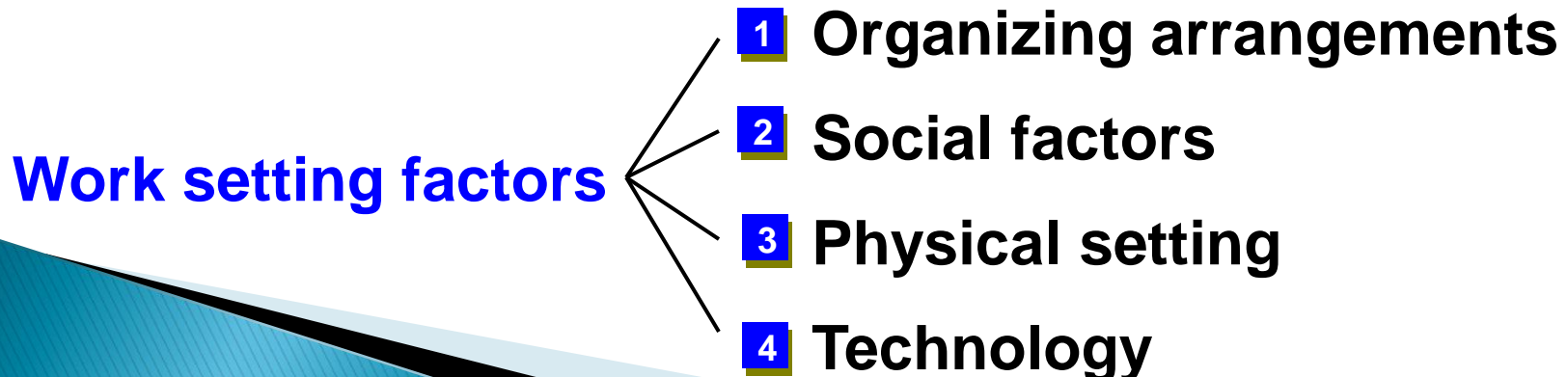
Porras & Robertson Model of Organizational Change

**OD interventions alter features of the work setting causing changes in individuals' behaviors, which in turn lead to individual and organizational improvements.**

1 **Organizing arrangements**

Work setting factors

2 **Social factors**

3 **Physical setting**

4 **Technology**

Porras & Robertson Model of Organizational Change

OD Interventions

Alteration of the features

Work Settings

Individual Behaviour

Individual and Organizational Improvement
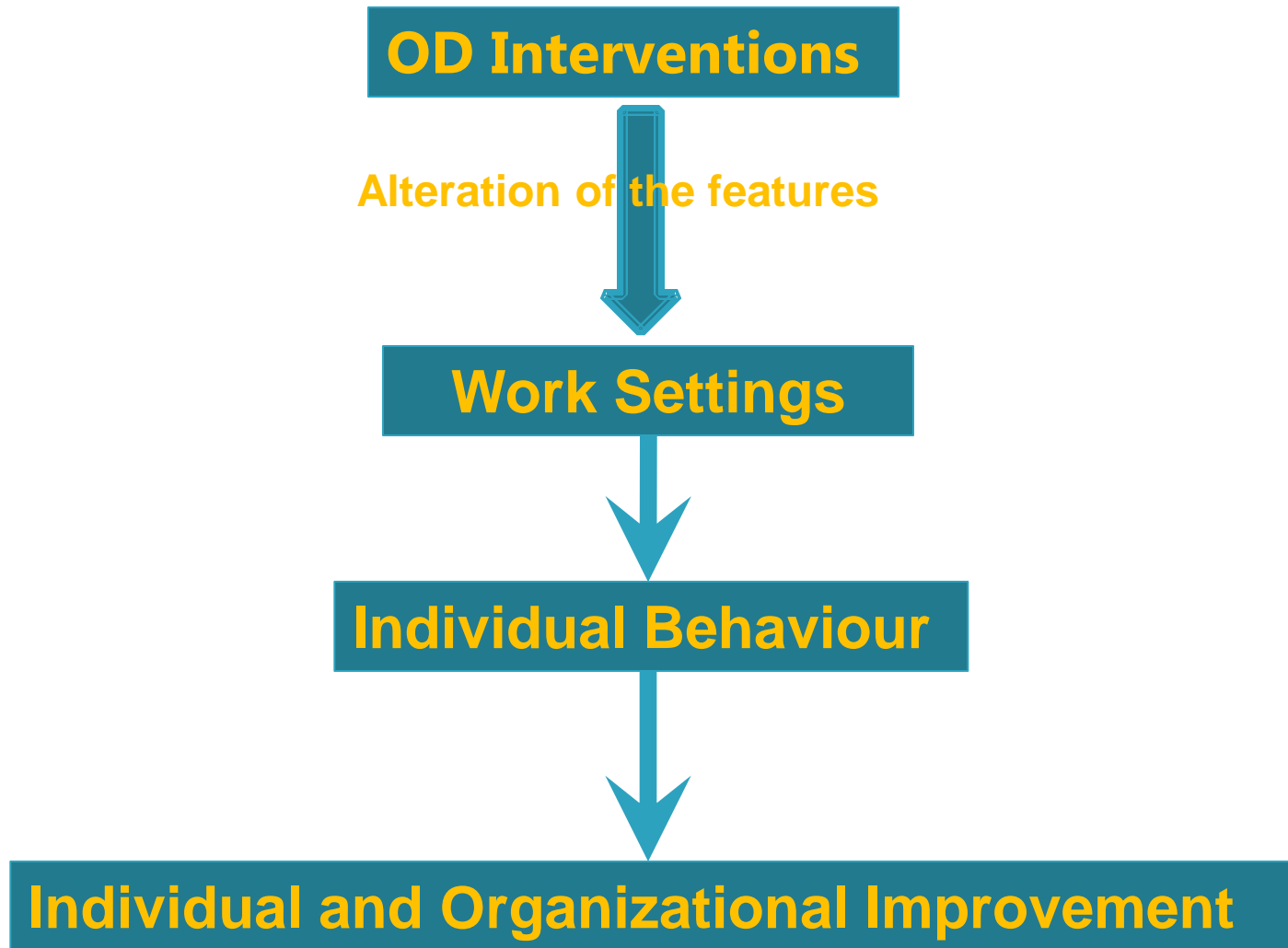
Models and theories Contd..
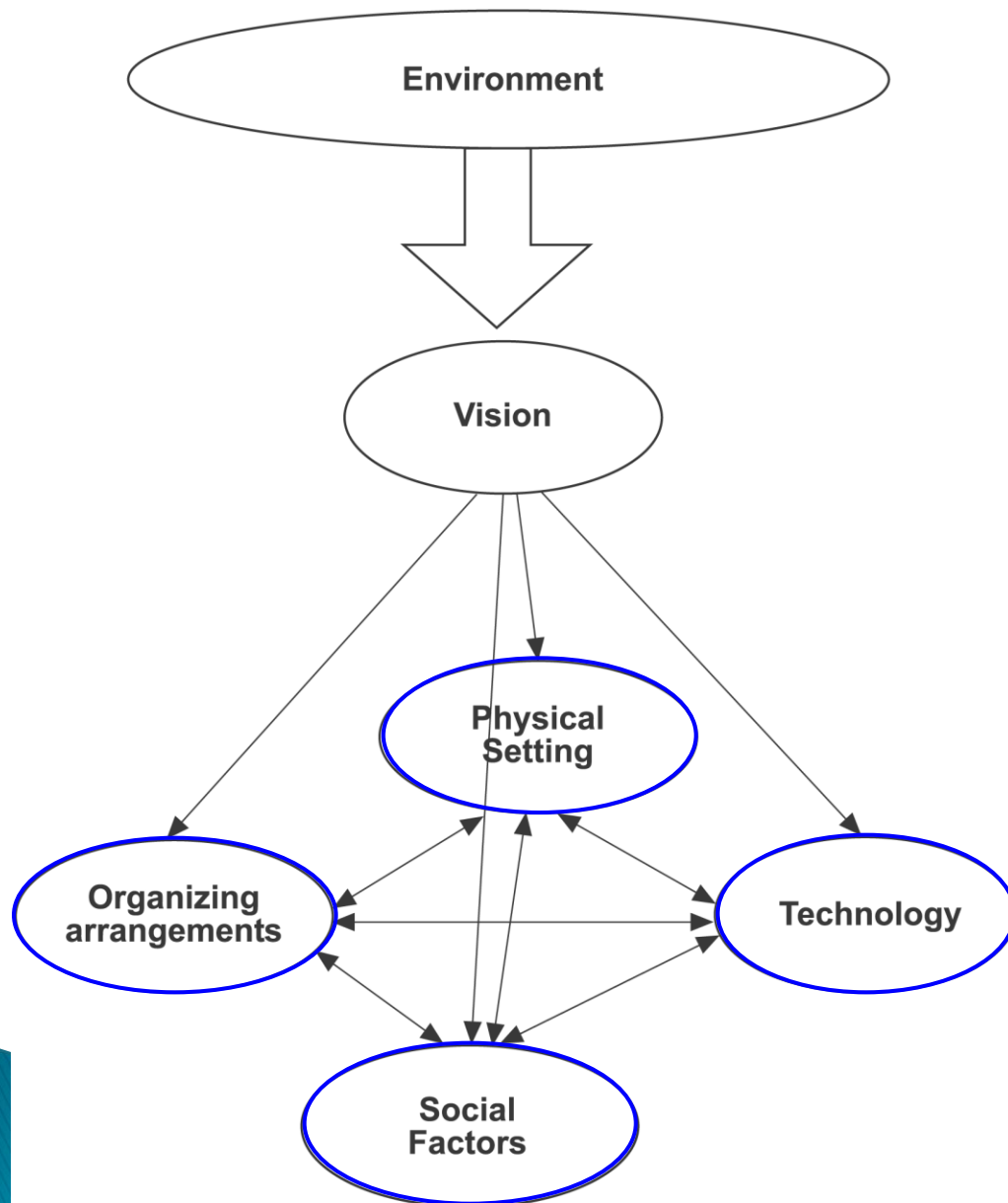
Organizing arrangements
Goals, strategies, structure, policies, procedures

Social Factors
Culture, management style, informal networks, individual attributes

Physical Settings
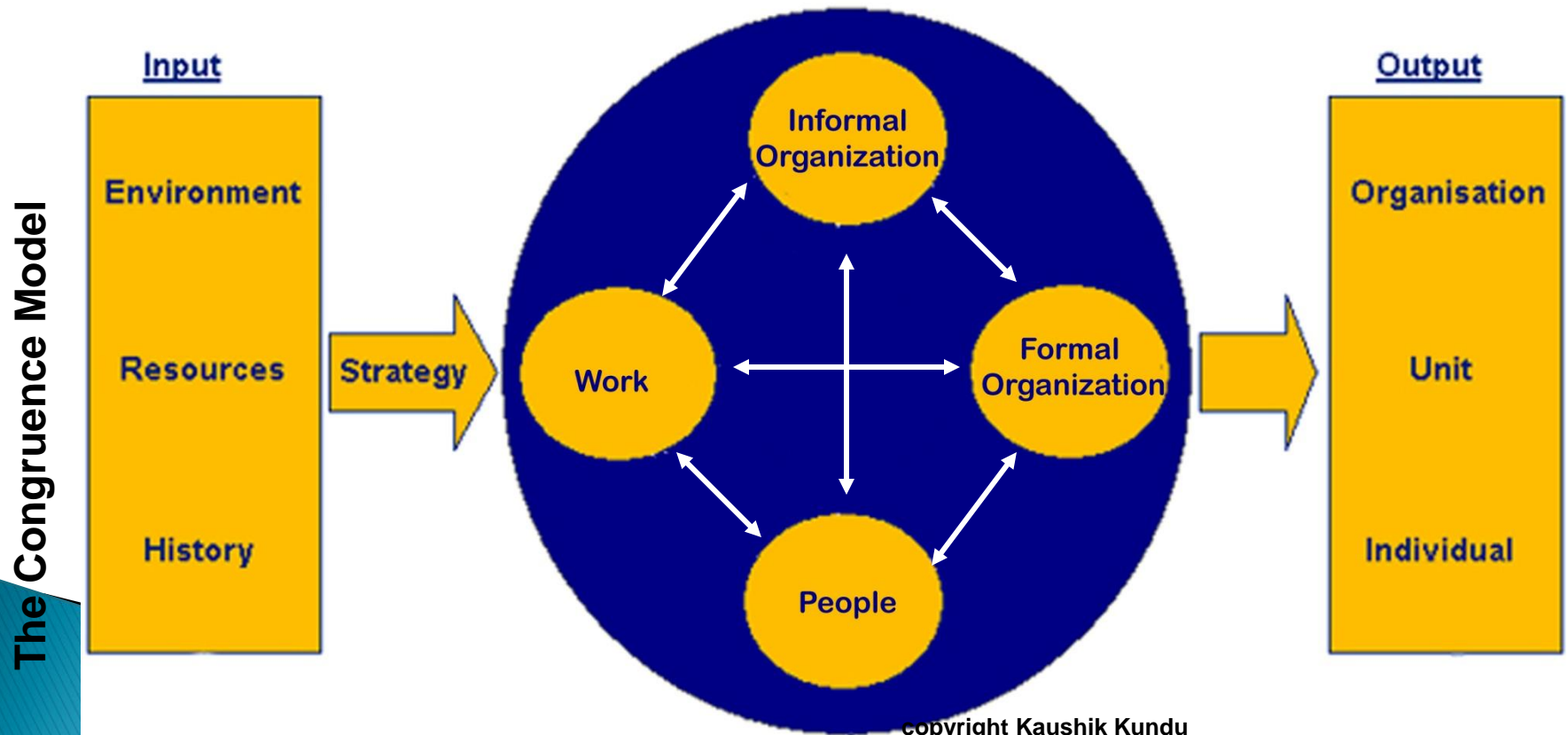**Space configuration, physical ambiance**

Technology
Machinery, tools, IT, job design

Systems Theory

Organizations are open systems in active exchange with their environment

The Congruence Model

Input

Environment

Resources

Strategy

History

Informal Organization

Work

Formal Organization
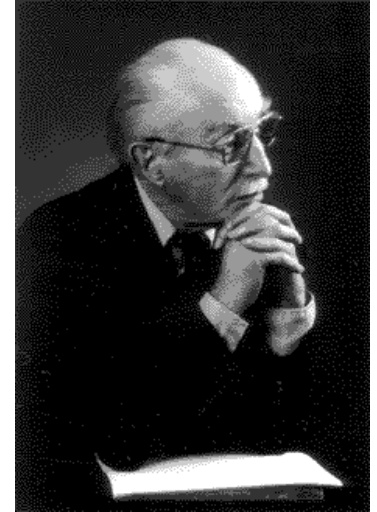
People

Output

Organisation

Unit

Individual

Systems Theory

Sociotechnical Systems Theory (STS)

All organizations comprised of two interdependent systems:

1. Social system
2. Technical system

Eric Trist

■ **To achieve high productivity and employee satisfaction, organizations must optimize both systems.**

■ **Changes in one system affect the other system.**