

Development of human resources

Part 3: Organization development—the management of change

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This is the third in a series of articles to introduce methods addressing the development of individuals and organizations through the field of human resource development.

Beckhard defines organization development (OD) as “an effort, planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization’s processes, using behavioral-science knowledge” (1). In essence, OD is a planned system of change, including the following dimensions:

- *Planned.* OD takes a long-range approach to improving organizational performance and efficiency. It avoids the (usual) quick-fix.
- *Organization-wide.* OD focuses on the total system.
- *Managed from the top.* To be effective, OD must have the support of top management. They have to model it, not just espouse it. The OD process also needs the buy-in and ownership of workers throughout the organization.
- *Increase organization effectiveness and health.* OD is tied to the bottom line. Its goal is to improve the organization, to make it more efficient and more competitive by aligning the organization’s systems with its people.
- *Planned interventions.* After proper preparation, OD uses activities called interventions to make systemwide, permanent changes in the organization.
- *Using behavioral-science knowledge.* OD is a discipline that combines research and experience to understanding people, business systems, and their interactions.

We usually think of OD only in terms of the interventions themselves. This article seeks to emphasize that these activities are only the most visible part of a complex process and to put some perspective and unity into the myriad of OD tools that are used in business today. These activities include total quality management (an evolutionary approach to improving an organization) and re-engineering (a more revolutionary approach). And there are dozens of other interventions, such as strategic planning and team building. It is critical to select the most appropriate intervention or interventions, and this can only be done with proper preparation.

Why do OD?

- *Human resources*—our people—may be a large fraction of our costs of doing business. They certainly can make the difference between organizational success and failure. We better know how to manage them.
- *Changing nature of the workplace.* Our workers today want feedback on their performance, a sense of accomplishment, feelings of value and worth, and commitment to social responsibility. They need to be more efficient, to improve their time management. And, of course, if we are to continue doing more work with less people, we need to make our processes more efficient.
- *Global markets.* Our environments are changing and our organizations must also change to, survive and prosper. We need to be more responsible to, and develop closer partnerships with, our customers. We must change to survive and we argue that we should attack the problems, not the symptoms, in a systematic, planned, humane manner.
- *Accelerated rate of change.* Taking an open-systems approach, we can easily identify the competitions on an international scale for people, capital, physical resources, and information.

Who does OD?

To be successful, OD must have the buy-in, ownership, and involvement of all stakeholders, not just of the employees throughout the organization. OD is usually facilitated by change agents—people or teams that have the responsibility for initiating and managing the change effort. These change agents may be either employees of the organization (internal consultants) or people from outside the organization (external consultants).

Effective change requires leadership with knowledge, and experience in change management. We strongly recommend that external or internal consultants be used, preferably a combination of both. These people are professionals; don’t try this at home.

Bennis (2) notes that "external consultants can manage to affect...the power structure in a way that most internal change agents cannot." Since experts from outside are less subject to the politics and motivations found within the organization, they can be more effective in facilitating significant and meaningful changes.

When is an organization ready for OD?

There is a formula, attributed to David Gleicher (3, 4), which we can use to decide if an organization is ready for change:

$Dissatisfaction \times Vision \times First\ Steps > Resistance\ of\ Change$

This means that three components must all be present to overcome the resistance to change in an organization: *dissatisfaction* with the present situation, a *vision* of what is possible in the future, and achievable *first steps* toward reaching this vision. If any of the three is zero or near zero, the product will also be zero or near zero and the resistance to change will dominate.

We use this model as an easy, quick diagnostic aid to decide if change is possible. OD can bring approaches to the organization that will enable these three components to surface so we can begin the process of change.

OD is a process

Action research is a process which serves as a model for most OD interventions. French and Bell (5) described action research as a "process of systematically collecting research data about an ongoing system relative to some objective, goal, or need of that system; feeding these data back into the system; taking actions by altering selected variables within the system based both on the data and on hypotheses; and evaluating the results of actions by collecting more data."

The steps in Action Research are (6, 7):

1. *Entry.* This phase consists of marketing, *i.e.*, finding needs for change within an organization. It is also the time to quickly grasp the nature of the organization, identify the appropriate decision maker, and build a trusting relationship.
2. *Start-up and contracting.* In this step, we identify critical success factors and the real issues, link into the organization's culture and processes, and clarify roles for the consultants or employees. This is also the time to deal with resistance within the organization. A formal or informal contract will define the change process.
3. *Assessment and diagnosis.* Here we collect data in order to find the opportunities and problems in the organization (refer to $D \times V \times F > R$ earlier). For suggestions about what to look for, see the previous article in this series on needs assessment (8). This is also the time for the consultant to make a diagnosis, in order to recommend appropriate interventions.

4. *Feedback.* This two-way process serves to tell what we found out, based on an analysis of the data. Everyone who contributed information should have an opportunity to learn about the findings of the assessment process (provided there is no apparent breach of anyone's confidentiality). This provides an opportunity for the organization's people to become involved in the change process, to learn about how different parts of the organization affect each other, and to participate in selecting appropriate change interventions.
5. *Action planning.* In this step we will distill recommendations from the assessment and feedback, consider alternative actions, and focus our intervention or interventions on activities that have the most leverage to effect positive change in the organization. An implementation plan will be developed that is based on the assessment data and is logically organized, results-oriented, measurable, and rewarded. We must plan for a participative decision-making process for the intervention.
6. *Intervention.* Now, and only now, do we actually carry out the change process. It is important to follow the action plan, yet remain flexible enough to modify the process as the organization changes and as new information emerges.
7. *Evaluation.* Successful OD must have made meaningful changes in the performance and efficiency of the people and their organization. We need to have an evaluation procedure to verify this success, identify needs for new or continuing OD activities, and improve the OD process itself to help make future interventions more successful.
8. *Adoption.* After steps have been made to change the organization and plans have been formulated, we follow up by implementing processes to ensure that this remains an ongoing activity within the organization, that commitments for action have been obtained, and that they will be carried out.
9. *Separation.* We must recognize when it is more productive for the client and consultant to undertake other activities and when continued consultation is counterproductive. We also should plan for future contacts, to monitor the success of this change, and possibly to plan for future change activities.

It would be nice if real OD followed these steps sequentially. This rarely happens. Instead, the consultants must be flexible and be ready to change their strategy when necessary. Often they will have to move back and repeat previous steps in light of new information, new influences, or because of the changes that have already been made.

But for successful OD to take place, all of these steps must be followed. It works best if they are taken in the order described. And, since learning is really an iterative, not a sequential process, we must be prepared to re-enter this process when and where appropriate.

If you would like to know more about OD, we highly recommend the books by Cummings and Worley (9) and by Rothwell, Sullivan, and McLean (7).

What's next?

In future articles in this series, we plan to discuss some of the major OD interventions in common use today and to classify these into systematic categories.

Where you come in:

- *TAPPI 96.* We are in the planning stages for the TAPPI Annual Meeting and Exhibition, to be held in New Orleans in March 1996. The event will focus on education and human resource development and may include a workshop on organization development. We invite your participation.
- *Case studies.* In future articles, we plan to include some case histories of the successes (and failures) of applying OD practices in the paper industry. If you are involved in OD and would like to join us in this effort, please contact us. [E]

Literature cited

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