General Introduction to Organization Development

learning objectives

Define and describe the practice and study of organization development (OD).
Describe the history and relevance of OD.
Distinguish OD and planned change from other forms of organization change.

This is a book about organization development (OD)—a process that applies a broad range of behavioral science knowledge and practices to help organizations build their capability to change and to achieve greater effectiveness, including increased financial performance, employee satisfaction, and environmental sustainability. Organization development differs from other planned change efforts, such as project management or product innovation, because the focus is on building the organization’s ability to assess its current functioning and to make necessary changes to achieve its goals. Moreover, OD is oriented to improving the total system—the organization and its parts in the context of the larger environment that affects them.

This book reviews the broad background of OD and examines assumptions, strategies and models, intervention techniques, and other aspects of OD. This chapter provides an introduction to OD, describing first the concept of OD itself. Second, it explains why OD has expanded rapidly in the past 60 years, both in terms of people’s need to work with and through others in organizations and in terms of organizations’ need to adapt in a complex and changing world. Third, it reviews briefly the history of OD, and fourth, it describes the evolution of OD into its current state. This introduction to OD is followed by an overview of the rest of the book.

1-1 Organization Development Defined

Organization development is both a professional field of social action and an area of scientific inquiry. The practice of OD covers a wide spectrum of activities, with seemingly endless variations upon them. Team building with top corporate management, structural change in a municipality, and job enrichment in a manufacturing firm are all examples of OD. Similarly, the study of OD addresses a broad range of topics, including the effects of change, the methods of organizational change, and the factors influencing OD success.
A number of definitions of OD exist and are presented in Table 1.1. Each definition has a slightly different emphasis. For example, Burke’s description focuses on culture as the target of change; French’s definition is concerned with OD’s long-term focus and the use of consultants; and Beckhard’s and Beer’s definitions address the process of OD. More recently, Burke and Bradford’s definition broadens the range and interests of OD. Worley and Feyerherm suggested that for a process to be called organization development, (1) it must focus on or result in the change of some aspect of the organizational system; (2) there must be learning or the transfer of knowledge or skill to the organization; and (3) there must be evidence of improvement in or an intention to improve the effectiveness of the organization.\(^1\) The following definition incorporates most of these views and is used in this book:

*Organization development is a system-wide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness.*

This definition emphasizes several features that differentiate OD from other approaches to organizational change and improvement, such as management consulting, project management, and operations management. The definition also helps to distinguish

### Table 1.1

<table>
<thead>
<tr>
<th>Definitions of Organization Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization development is a planned process of change in an organization’s culture through the utilization of behavioral science technology, research, and theory. (Warner Burke)(^2)</td>
</tr>
<tr>
<td>Organization development refers to a long-range effort to improve an organization’s problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants, or change agents, as they are sometimes called. (Wendell French)(^3)</td>
</tr>
<tr>
<td>Organization development is an effort (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organization effectiveness and health through (5) planned interventions in the organization’s “processes,” using behavioral science knowledge. (Richard Beckhard)(^4)</td>
</tr>
<tr>
<td>Organization development is a system-wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) enhancing congruence among organizational structure, process, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization’s self-renewing capacity. It occurs through the collaboration of organizational members working with a change agent using behavioral science theory, research, and technology. (Michael Beer)(^5)</td>
</tr>
<tr>
<td>Based on (1) a set of values, largely humanistic; (2) application of the behavioral sciences; and (3) open-systems theory, organization development is a system-wide process of planned change aimed toward improving overall organization effectiveness by way of enhanced congruence of such key organization dimensions as external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures. (Warner Burke and David Bradford)(^6)</td>
</tr>
</tbody>
</table>
OD from two related subjects, change management and organization change, that also are addressed in this book.

First, OD applies to changes in the strategy, structure, and/or processes of an entire system, such as an organization, a single plant of a multiplant firm, a department or work group, or individual role or job. A change program aimed at modifying an organization’s strategy, for example, might focus on how the organization relates to a wider environment and on how those relationships can be improved. It might include changes both in the grouping of people to perform tasks (structure) and in methods of communicating and solving problems (process) to support the changes in strategy. Similarly, an OD program directed at helping a top-management team become more effective might focus on social processes and task coordination within the group. This focus might result in the improved ability of top management to solve company problems in strategy and structure. This contrasts with approaches focusing on one or only a few aspects of a system, such as technological innovation or quality control. In these approaches, attention is narrowed to improvement of particular products or processes, or to development of production or service delivery functions.

Second, OD is based on the application and transfer of behavioral science knowledge and practice, including microconcepts, such as leadership, group dynamics, and work design, and macroapproaches, such as strategy, organization design, and culture change. These subjects distinguish OD from such applications as management consulting, technological innovation, or operations management that emphasize the economic, financial, and technical aspects of organizations. These approaches tend to neglect the personal and social characteristics of a system. Moreover, OD is distinguished by its intent to transfer behavioral science knowledge and skill so that the organizational system is more capable of carrying out planned change in the future.

Third, OD is concerned with managing planned change, but not in the formal sense typically associated with management consulting or project management, which tends to comprise programmatic and expert-driven approaches to change. Rather, OD is more an adaptive process for planning and implementing change than a blueprint for how things should be done. It involves planning to diagnose and solve organizational problems, but such plans are flexible and often revised as new information is gathered as the change process progresses. If, for example, there was concern about the performance of a set of international subsidiaries, a reorganization process might begin with plans to assess the current relationships between the international divisions and the corporate headquarters and to redesign them if necessary. These plans would be modified if the assessment discovered that most of the senior management teams in the subsidiaries were not given adequate cross-cultural training prior to their international assignments.

Fourth, OD involves the design, implementation, and subsequent reinforcement of change. It moves beyond the initial efforts to implement a change program to a longer-term concern for making sure the new activities sustain within the organization. For example, implementing self-managed work teams might focus on ways in which supervisors could give workers more control over work methods. After workers had more control, attention would shift to ensuring that supervisors continued to provide that freedom. That assurance might include rewarding supervisors for managing in a participative style. This attention to reinforcement is similar to training and development approaches that address maintenance of new skills or behaviors, but it differs from other change perspectives that do not address how a change can be sustained over time.

Finally, OD is oriented to improving organizational effectiveness. Effectiveness is best measured along three dimensions. First, OD affirms that an effective organization is able to solve its own problems and to continually improve itself. OD helps organization
members gain the skills and knowledge necessary to conduct these activities by involving them in the change process. Second, an effective organization has high financial and technical performance, including sales growth, acceptable profits, quality products and services, and high productivity. OD helps organizations achieve these ends by leveraging social science practices to lower costs, improve products and services, and increase productivity. Finally, an effective organization has an engaged, satisfied, and learning workforce as well as satisfied and loyal customers or other external stakeholders. The organization’s performance responds to the needs of external groups, such as stockholders, customers, suppliers, and government agencies, which provide the organization with resources and legitimacy. Moreover, it is able to attract and motivate effective employees, who then perform at higher levels. Other forms of organizational change clearly differ from OD in their focus. Management consulting, for example, primarily addresses financial performance, whereas operations management or industrial engineering focuses on productivity.

Organization development can be distinguished from change management and organizational change. OD and change management both address the effective implementation of planned change. They are both concerned with the sequence of activities, the processes, and the leadership that produce organization improvements. They differ, however, in their underlying value orientation. OD’s behavioral science foundation supports values of human potential, participation, and development in addition to performance and competitive advantage. Change management focuses more narrowly on values of cost, quality, and schedule. As a result, OD’s distinguishing feature is its concern with the transfer of knowledge and skill so that the organization is more able to manage change in the future. Change management does not necessarily require the transfer of these skills. In short, all OD involves change management, but change management may not involve OD.

Similarly, organizational change is a broader concept than OD. As discussed above, organization development can be applied to managing organizational change. However, it is primarily concerned with managing change in such a way that knowledge and skills are transferred to build the organization’s capability to achieve goals and solve problems. It is intended to change the organization in a particular direction, toward improved problem solving, responsiveness, and effectiveness. Organizational change, in contrast, is more broadly focused and can apply to any kind of change, including technical and managerial innovations, organization decline, or the evolution of a system over time. These changes may or may not be directed at making the organization more developed in the sense implied by OD.

The behavioral sciences have developed useful concepts and methods for helping organizations to deal with changing environments, competitor initiatives, technological innovation, globalization, or restructuring. They help managers and administrators to manage the change process. Many of these concepts and techniques are described in this book, particularly in relation to managing change.

1-2 The Growth and Relevance of Organization Development

In each of the previous editions of this book, we argued that organizations must adapt to increasingly complex and uncertain technological, economic, political, and cultural changes. We also argued that OD could help an organization to create effective responses to these changes and, in many cases, to proactively influence the strategic direction of the firm. The rapidly changing conditions of the past few years confirm our arguments and
accentuate their relevance. According to several observers, organizations are in the midst of unprecedented uncertainty and chaos, and nothing short of a management revolution will save them. Three major trends are shaping change in organizations: globalization, information technology, and managerial innovation.

First, globalization is changing the markets and environments in which organizations operate as well as the way they function. The world is rapidly becoming smaller and more tightly interconnected economically, socially, and ecologically. Significant movements of goods and services, technology, human resources, and capital across international borders have intensified the economic interdependence among nations and organizations. This globalization opens new markets and sources of innovation and capital for organizations, but at the risk of economic problems in one sector of the world spreading rapidly to other sectors. The United States’ 2007–2008 fiscal crisis quickly evolved into a “global recession” that sent the European Economic Union into a financial tailspin while negatively impacting the economies of nations in almost every region of the globe. Similarly, social differences among cultural, political, and religious lines have rendered global markets increasingly uncertain, complex, and conflictive. Persistent tensions in the Middle East have had repercussions for firms throughout the globe making them more vulnerable to terrorist attacks, escalating diplomatic and military conflicts, and disrupting energy supplies. Globalization also affects organizations ecologically, expanding their access to natural resources yet making the planet more susceptible to abuse by organizations with questionable environmental practices and governments with loose environmental regulations. Growing international debates about climate change and calls for more responsible and sustainable organizational practices underscore the ecological consequences of globalization.

Second, information technology is redefining the traditional business model by changing how work is performed, how knowledge is used, and how the cost of doing business is calculated. The way an organization collects, stores, manipulates, uses, and transmits information can lower costs and increase the value and quality of products and services. Information technology is at the heart of emerging e-commerce strategies and organizations. Amazon.com and eBay are among the survivors of a busted dot-com bubble; Facebook, LinkedIn, and Twitter are revolutionizing the way that we converse and interact with each other both personally and professionally. Google has emerged as a major competitor to Microsoft, and the amount of business being conducted on the Internet is projected to grow at double-digit rates. Moreover, the underlying rate of innovation is not expected to decline. Cloud computing—a state-of-the-art technology application a few years ago—is now considered routine business practice. Digital publishing and online courses are transforming how we deliver knowledge and education. The ability to move information easily and inexpensively throughout and among organizations has fueled the downsizing, layering, and restructuring of firms. The Internet has enabled new forms of work such as virtual teams and telecommuting; it has enabled many companies to outsource customer-service functions to global regions where labor is relatively inexpensive. Finally, information technology is changing how organizations create and use knowledge. Enormous data sets, so-called “big data,” are being analyzed to discover underlying trends and patterns that can inform strategic decision making. Information is also being widely shared throughout the organization. This reduces the concentration of power at the top of the organization as employees now share the same key information that senior managers once used to control decision making.

Third, managerial innovation has responded to the globalization and information technology trends and has accelerated their impact on organizations. New organizational forms, such as networks, strategic alliances, and virtual corporations, provide organizations with
new ways of thinking about how to manufacture goods and deliver services. The strategic
alliance, for example, has emerged as one of the indispensable tools in strategy implementa-
tion. No single organization, not even IBM, Toyota, or General Electric, can control the
environmental and market uncertainty it faces. In addition, change innovations, such as
downsizing or reengineering, have radically reduced the size of organizations and increased
their flexibility; new large group interventions, such as the search conference and open
space, have increased the speed with which organizational change can take place; and orga-
nization learning interventions have leveraged knowledge as a critical organizational
resource. Managers, OD practitioners, and researchers argue that these globalization and
information technology forces not only are powerful in their own right but are interrelated.
Their interaction makes for a highly uncertain and complex environment for all kinds of
organizations, including manufacturing and service firms and those in the public and pri-
vate sectors. Fortunately, a growing number of organizations are undertaking the kinds of
organizational changes needed to survive and prosper in today’s environment. They are
making themselves more streamlined and agile, more responsive to external demands, and
more ecologically and socially sustainable. They are involving employees in key decisions
and paying for performance rather than for time. They are taking the initiative in innovat-
ing and managing change, rather than simply responding to what has already happened.

Organization development plays a key role in helping organizations change them-
selves. It helps organizations assess themselves and their environments and revitalize and
rebuild their strategies, structures, and processes. OD helps organization members gain
the skills and knowledge needed to continuously improve and change the organization.
It helps members go beyond surface changes to transform the underlying assumptions
and values governing their behaviors. The different concepts and methods discussed in
this book increasingly are finding their way into government agencies, manufacturing
firms, multinational corporations, service industries, educational and health care institu-
tions, and not-for-profit organizations. Perhaps at no other time has OD been more
responsive and practically relevant to organizations’ needs to operate effectively in a highly
complex and changing world.

OD is obviously important to those who plan a professional career in the field,
either as an internal consultant employed by an organization or as an external consultant
practicing in many organizations. A career in OD can be highly rewarding, providing
challenging and interesting assignments working with managers and employees to
improve their organizations and their work lives. In today’s environment, the demand
for OD professionals is rising rapidly. For example, large professional services firms
must have effective “change management” practices to be competitive. Career opportu-
nities in OD should continue to expand in the United States and abroad.

Organization development also is important to those who have no aspirations to
become professional practitioners. All managers and administrators are responsible for
supervising and developing subordinates and for improving their departments’ perfor-
mance. Similarly, all staff specialists, such as financial analysts, engineers, accountants,
information technologists, or market researchers, are responsible for offering advice and
counsel to managers and for introducing new methods and practices. Finally, OD is
important to general managers and other senior executives because OD can help the
whole organization be more innovative, adaptable, and effective.

Organization development can also help managers and staff personnel perform their
tasks more effectively. It can provide the skills and knowledge necessary for establishing
effective interpersonal relationships and building productive teams. It can show person-
nel how to work effectively with others in diagnosing complex problems and in devising
appropriate solutions. It can help others become committed to the solutions, thereby
increasing chances for their successful implementation. In short, OD is highly relevant to anyone having to work with and through others in organizations.

1-3 A Short History of Organization Development

A brief history of OD will help to clarify the evolution of the term as well as some of the problems and confusion that have surrounded it. As currently practiced, OD emerged from five major backgrounds or stems, as shown in Figure 1.1. The first was the growth of the National Training Laboratories (NTL) and the development of training groups, otherwise known as sensitivity training or T-groups. The second stem of OD was the classic work on action research conducted by social scientists interested in applying research to managing change. An important feature of action research was a technique known as survey feedback. Kurt Lewin, a prolific theorist, researcher, and practitioner in group dynamics and social change, was instrumental in the development of T-groups, survey feedback, and action research. His work led to the creation of OD and still serves as a major source of its concepts and methods. The third stem reflects a normative view of OD. Rensis Likert’s participative management framework and Blake and Mouton’s Grid® OD suggest a “one best way” to design and operate organizations. The fourth background is the approach focusing on productivity and the quality of work life. The fifth stem of OD, and the most recent influence on current practice, involves strategic change and organization transformation.

![FIGURE 1.1 The Five Stems of OD Practice](image-url)
1.3a Laboratory Training Background

This stem of OD pioneered laboratory training, or the T-group—a small, unstructured group in which participants learn from their own interactions and evolving group processes about such issues as interpersonal relations, personal growth, leadership, and group dynamics. Essentially, laboratory training began in the summer of 1946, when Kurt Lewin and his staff at the Research Center for Group Dynamics at the Massachusetts Institute of Technology (MIT) were asked by the Connecticut Interracial Commission and the Committee on Community Interrelations of the American Jewish Congress for help in research on training community leaders. A workshop was developed, and the community leaders were brought together to learn about leadership and to discuss problems. At the end of each day, the researchers discussed privately what behaviors and group dynamics they had observed. The community leaders asked permission to sit in on these feedback sessions. Reluctant at first, the researchers finally agreed. Thus, the first T-group was formed in which people reacted to data about their own behavior. The researchers drew two conclusions about this first T-group experiment: (1) feedback about group interaction was a rich learning experience and (2) the process of “group building” had potential for learning that could be transferred to “back-home” situations.12

As a result of this experience, the Office of Naval Research and the National Education Association provided financial backing to form the National Training Laboratories, and Gould Academy in Bethel, Maine, was selected as a site for further work (since then, Bethel has played an important part in NTL). The first Basic Skill Groups were offered in the summer of 1947. The program was so successful that the Carnegie Foundation provided support for programs in 1948 and 1949. This led to a permanent program for NTL within the National Education Association.

In the 1950s, three trends emerged: (1) the emergence of regional laboratories, (2) the expansion of summer program sessions to year-round sessions, and (3) the expansion of the T-group into business and industry, with NTL members becoming increasingly involved with industry programs. Notable among these industry efforts was the pioneering work of Douglas McGregor at Union Carbide, of Herbert Shepard and Robert Blake at Esso Standard Oil (now ExxonMobil), of McGregor and Richard Beckhard at General Mills, and of Bob Tannenbaum at TRW Space Systems (now part of Northrop Grumman).13 Applications of T-group methods at these companies spawned the term “organization development” and, equally important, led corporate personnel and industrial relations specialists to expand their roles to offer internal consulting services to managers.14

Over time, T-groups have declined as an OD intervention. They are closely associated with that side of OD’s reputation as a “touchy-feely” process. NTL, as well as UCLA and Stanford, continues to offer T-groups to the public, a number of proprietary programs continue to thrive, and Pepperdine University and American University continue to utilize T-groups as part of master’s level OD practitioner education. The practical aspects of T-group techniques for organizations gradually became known as team building—a process for helping work groups become more effective in accomplishing tasks and satisfying member needs. Team building is one of the most common OD interventions today.

1.3b Action Research and Survey-Feedback Background

Kurt Lewin also was involved in the second movement that led to OD’s emergence as a practical field of social science. This second background refers to the processes of action research and survey feedback. The action research contribution began in the 1940s with studies conducted by social scientists John Collier, Kurt Lewin, and William Whyte. They discovered that research needed to be closely linked to action if organization
members were to use it to manage change. A collaborative effort was initiated between organization members and social scientists to collect research data about an organization’s functioning, to analyze it for causes of problems, and to devise and implement solutions. After implementation, further data were collected to assess the results, and the cycle of data collection and action often continued. The results of action research were twofold: Members of organizations were able to use research on themselves to guide action and change, and social scientists were able to study that process to derive new knowledge that could be used elsewhere.

Among the pioneering action research studies were the work of Lewin and his students at the Harwood Manufacturing Company\textsuperscript{15} and the classic research by Lester Coch and John French on overcoming resistance to change.\textsuperscript{16} The latter study led to the development of participative management as a means of getting employees involved in planning and managing change. Other notable action research contributions included Whyte and Edith Hamilton’s famous study of Chicago’s Tremont Hotel\textsuperscript{17} and Collier’s efforts to apply action research techniques to improving race relations when he was commissioner of Indian affairs from 1933 to 1945.\textsuperscript{18} These studies did much to establish action research as integral to organization change. Today, it is the backbone of many OD applications.

A key component of most action research studies was the systematic collection of survey data that were fed back to the client organization. Following Lewin’s death in 1947, his Research Center for Group Dynamics at MIT moved to Michigan and joined with the Survey Research Center as part of the Institute for Social Research. The institute was headed by Rensis Likert, a pioneer in developing scientific approaches to attitude surveys. His doctoral dissertation at Columbia University developed the widely used 5-point “Likert Scale.”\textsuperscript{19}

In an early study by the institute, Likert and Floyd Mann administered a company-wide survey of management and employee attitudes at Detroit Edison.\textsuperscript{20} The feedback process that evolved was an “interlocking chain of conferences.” The major findings of the survey were first reported to the top management and then transmitted throughout the organization. The feedback sessions were conducted in task groups, with supervisors and their immediate subordinates discussing the data together. Although there was little substantial research evidence, the researchers intuitively felt that this was a powerful process for change.

In 1950, eight accounting departments asked for a repeat of the survey, thus generating a new cycle of feedback meetings. In four departments, feedback approaches were used, but the method varied; two departments received feedback only at the departmental level; and because of changes in key personnel, nothing was done in the remaining two departments.

A third follow-up study indicated that more significant and positive changes, such as job satisfaction, had occurred in the departments receiving feedback than in the two departments that did not participate. From those findings, Likert and Mann derived several conclusions about the effects of survey feedback on organization change. This led to extensive applications of survey-feedback methods in a variety of settings. The common pattern of data collection, data feedback, action planning, implementation, and follow-up data collection in both action research and survey feedback can be seen in these examples.

1-3c Normative Background

The intellectual and practical advances from the laboratory training stem and the action research and survey-feedback stem were followed closely by the belief that a human relations approach represented a “one best way” to manage organizations. This normative
belief was exemplified in Likert’s *Participative Management Program* and Blake and Mouton’s *Grid Organization Development* approaches to organization improvement.²¹

Likert’s Participative Management Program characterized organizations as having one of four types of management systems:²²

- **Explosive authoritative systems** (System 1) exhibit an autocratic, top-down approach to leadership. Employee motivation is based on punishment and occasional rewards. Communication is primarily downward, and there is little lateral interaction or teamwork. Decision making and control reside primarily at the top of the organization. System 1 results in mediocre performance.

- **Benevolent authoritative systems** (System 2) are similar to System 1, except that management is more paternalistic. Employees are allowed a little more interaction, communication, and decision making but within boundaries defined by management.

- **Consultative systems** (System 3) increase employee interaction, communication, and decision making. Although employees are consulted about problems and decisions, management still makes the final decisions. Productivity is good, and employees are moderately satisfied with the organization.

- **Participative group systems** (System 4) are almost the opposite of System 1. Designed around group methods of decision making and supervision, this system fosters high degrees of member involvement and participation. Work groups are highly involved in setting goals, making decisions, improving methods, and appraising results. Communication occurs both laterally and vertically, and decisions are linked throughout the organization by overlapping group membership. System 4 achieves high levels of productivity, quality, and member satisfaction.

Likert applied System 4 management to organizations using a survey-feedback process. The intervention generally started with organization members completing the Profile of Organizational Characteristics.²³ The survey asked members for their opinions about both the present and ideal conditions of six organizational features: leadership, motivation, communication, decisions, goals, and control. In the second stage, the data were fed back to different work groups within the organization. Group members examined the discrepancy between their present situation and their ideal, generally using System 4 as the ideal benchmark, and generated action plans to move the organization toward System 4 conditions.

Blake and Mouton’s Grid Organization Development originated from research about managerial and organizational effectiveness.²⁴ Data gathered on organizational excellence from 198 organizations located in the United States, Japan, and Great Britain showed that the two foremost barriers to excellence were planning and communications.²⁵ Each of these barriers was researched further to understand its roots, and the research resulted in a normative model of leadership—the Managerial Grid.

According to the Managerial Grid, an individual’s style can be described according to his or her concern for production and concern for people.²⁶ A concern for production covers a range of behaviors, such as accomplishing productive tasks, developing creative ideas, making quality policy decisions, establishing thorough and high-quality staff services, or creating efficient workload measurements. Concern for production is not limited to things but also may involve human accomplishment within the organization, regardless of the assigned tasks or activities. A concern for people encompasses a variety of issues, including concern for the individual’s personal worth, good working conditions, a degree of involvement or commitment to completing the job, security, a fair salary structure and fringe benefits, and good social and other relationships. Each dimension is measured on a nine-point scale and results in 81 possible leadership styles, ranging from 1,1 to 9,9.
For example, 1.9 managers have a low concern for production and a high concern for people: They view people’s feelings, attitudes, and needs as valuable in their own right. This type of manager strives to provide subordinates with work conditions that provide ease, security, and comfort. On the other hand, 9.1 managers have a high concern for production but a low concern for people: They minimize the attitudes and feelings of subordinates and give little attention to individual creativity, conflict, and commitment. As a result, the focus is on the work organization.

Blake and Mouton proposed that the 9.9 managerial style is the most effective in overcoming the communications barrier to corporate excellence. The basic assumptions behind this managerial style differ qualitatively and quantitatively from those underlying the other managerial styles, which assume there is an inherent conflict between the needs of the organization and the needs of people. By showing a high concern for both people and production, managers allow employees to think and to influence the organization, thus promoting active support for organizational plans. Employee participation means that better communication is critical; therefore, necessary information is shared by all relevant parties. Moreover, better communication means self-direction and self-control, rather than unquestioning, blind obedience. Organizational commitment arises out of discussion, deliberation, and debate over major organizational issues.

One of the most structured interventions in OD, Blake and Mouton’s Grid Organization Development has two key objectives: to improve planning by developing a strategy for organizational excellence based on clear logic, and to help managers gain the necessary knowledge and skills to supervise effectively. It consists of six phases designed to analyze an entire business and to overcome the planning and communications barriers to corporate excellence. The first phase is the Grid Seminar, a one-week program where participants analyze their personal style and learn methods of problem solving. Phase 2 consists of team development and Phase 3 involves intergroup development. In Phase 4, an ideal model of organizational excellence is developed and in Phase 5, the model is implemented. The final phase consists of an evaluation of the organization.

Despite some research support, the normative approach to change has given way to a contingency view that acknowledges the influence of the external environment, technology, and other forces in determining the appropriate organization design and management practices. Still, Likert’s participative management and Blake and Mouton’s Grid OD frameworks are both used in organizations today.

1-3d Productivity and Quality-of-Work-Life Background

The contribution of the productivity and quality-of-work-life (QWL) background to OD can be described in two phases. The first phase included the original projects developed in Europe in the 1950s and their emergence in the United States during the 1960s. Based on the research of Eric Trist and his colleagues at the Tavistock Institute of Human Relations in London, early practitioners in Great Britain, Ireland, Norway, and Sweden developed work designs aimed at better integrating technology and people.27 Referred to as “sociotechnical systems,” these QWL programs generally involved joint participation by unions and management in the design of work and resulted in work designs giving employees high levels of discretion, task variety, and feedback about results. Perhaps the most distinguishing characteristic of these QWL programs was the discovery of self-managing work groups as a form of work design. These groups were composed of multi-skilled workers who were given the necessary autonomy and information to design and manage their own task performances.
As these programs migrated to America, a variety of concepts and techniques were adopted and the approach tended to be more mixed than in European practice. For example, two definitions of QWL emerged during its initial development. QWL was first defined in terms of people’s reaction to work, particularly individual outcomes related to job satisfaction and mental health. Using this definition, QWL focused primarily on the personal consequences of the work experience and how to improve work to satisfy personal needs.

A second definition of QWL defined it as an approach or method. People defined QWL in terms of specific techniques and approaches used for improving work. It was viewed as synonymous with methods such as job enrichment, self-managed teams, and labor-management committees. This technique orientation derived mainly from the growing publicity surrounding QWL projects, such as the General Motors–United Auto Workers project at Tarrytown and the Gaines Pet Food plant project. These pioneering projects drew attention to specific approaches for improving work.

The excitement and popularity of this first phase of QWL in the United States lasted until the mid-1970s, when other more pressing issues, such as inflation and energy costs, diverted national attention. However, starting in 1979, a second phase of QWL activity emerged. A major factor contributing to the resurgence of QWL was growing international competition faced by the United States in markets at home and abroad. It became increasingly clear that the relatively low cost and high quality of foreign-made goods resulted partially from the management practices used abroad, especially in Japan. Books extolling the virtues of Japanese management, such as Ouchi’s Theory Z, made best-seller lists.

As a result, QWL programs expanded beyond their initial focus on work design to include other features of the workplace that can affect employee productivity and satisfaction, such as reward systems, work flows, management styles, and the physical work environment. This expanded focus resulted in larger-scale and longer-term projects than had the early job enrichment programs and shifted attention beyond the individual worker to work groups and the larger work context. Equally important, it added the critical dimension of organizational efficiency to what had been up to that time a primary concern for the human dimension.

At one point, the productivity and QWL approach became so popular that it was called an ideological movement. This was particularly evident in the spread of quality circles within many companies. Popularized in Japan, quality circles are groups of employees trained in problem-solving methods that meet regularly to resolve work environment, productivity, and quality-control concerns and to develop more efficient ways of working. At the same time, many of the QWL programs started in the early 1970s were achieving success. Highly visible corporations, such as General Motors, Ford, and Honeywell, and unions, such as the United Automobile Workers, the Oil, Chemical, and Atomic Workers, the Communications Workers of America, and the Steelworkers, were more willing to publicize their QWL efforts. In 1980, for example, more than 1,800 people attended an international QWL conference in Toronto, Canada. Unlike previous conferences, which were dominated by academics, the presenters at Toronto were mainly managers, workers, and unionists from private and public corporations.

Today, this second phase of QWL activity continues primarily under the banner of “employee involvement” (EI) as well as total quality management and Six Sigma programs, rather than of QWL. For many OD practitioners, the term EI signifies, more than the name QWL, the growing emphasis on how employees can contribute more to running the organization so it can be more flexible, productive, and competitive. Recently, the term “employee empowerment” has been used interchangeably with the term EI, the former
suggesting the power inherent in moving decision making downward in the organization. Employee empowerment may be too restrictive, however. Because it draws attention to the power aspects of these interventions, it may lead practitioners to neglect other important elements needed for success, such as information, skills, and rewards. Consequently, EI seems broader and less restrictive than does employee empowerment as a banner for these approaches to organizational improvement.

1-3e Strategic Change Background

The strategic change background is a recent influence on OD’s evolution. As organizations have become more global and information intensive and their environments have become more complex and uncertain, the scale and intricacies of organizational change have increased. These trends have produced the need for a strategic perspective on OD and encouraged planned change processes at the organization and multiorganization levels.

Strategic change involves improving the alignment among an organization’s design, strategy, and environment. Strategic change interventions seek to improve both the organization’s relationship to its environment and the fit among its technical, structural, informational, human resource, and cultural components. The need for strategic change is usually triggered by some major disruption to the organization, such as the lifting of regulatory requirements, a technological breakthrough, or a new chief executive officer coming in from outside the organization.

One of the first applications of strategic change was Richard Beckhard’s use of open-systems planning. He focused on an organization’s environment and strategy. Based on the organization’s core mission, the differences between what the environment demanded and how the organization responded could be reduced and performance improved. Since then, change agents have proposed a variety of large-scale or strategic-change models; each of these approaches recognizes that strategic change is often driven from the top by powerful executives, involves multiple levels of the organization and a change in its culture, and has important effects on performance. More recently, strategic approaches to OD have been extended beyond the boundaries of a single organization to include mergers and acquisitions, strategic alliances among firms, and network development.

The strategic change background has significantly influenced OD practice. For example, implementing strategic change requires OD practitioners to be familiar with competitive strategy, finance, and marketing, as well as team building, action research, and survey feedback. Together, these skills have improved OD’s relevance to organizations and their managers.

1-4 Evolution in Organization Development

Current practice in organization development is strongly influenced by these five backgrounds as well as by the trends shaping change in organizations. The laboratory training, action research and survey feedback, normative, and QWL roots of OD are evident in the strong humanistic focus that underlies its practice. The more recent influence of the strategic change background has greatly improved the relevance and rigor of OD practice. They have added financial and economic indicators of effectiveness to OD’s traditional measures of work satisfaction and personal growth. All of the backgrounds support the transfer of knowledge and skill to the organization so it can better manage change in the future.

Today, the field increasingly is being influenced by the globalization and information technology trends described earlier. OD is being carried out in many more countries and in many more organizations operating on a worldwide basis. This is generating a
whole new set of interventions as well as modifications to traditional OD practice.\textsuperscript{40} In addition, OD is adapting its methods to the technologies being used in organizations. As information technology continues to influence organizations and their environments, OD is managing change processes in cyberspace as well as face-to-face. The diversity of this evolving discipline has led to tremendous growth in the number of professional OD practitioners, in the kinds of organizations involved with OD, in the range of countries within which OD is practiced, and in the kinds of interventions used to change and improve organizations.

The expansion of the OD Network (www.odnetwork.org), which began in 1964, is one indication of this growth. It has grown from 200 members in 1970 to 1,554 in 2012. At the same time, Division 14 of the American Psychological Association, formerly known as the Division of Industrial Psychology, changed its title to the Society for Industrial and Organizational Psychology (www.siop.org) in 1982. In 2012, the Society had over 8,000 members worldwide. In 1968, the American Society for Training & Development (www.astd.org) set up an OD division, which currently operates as the Human Capital Community of Practice with more than 2,000 members. In 1971, the Academy of Management established an Organization Development and Change Division (http://division.aomonline.org/odc), which currently has more than 2,300 members. Pepperdine University (www.pepperdine.edu), Bowling Green State University (www.bgsu.edu), and Case Western Reserve University (www.cwru.edu) offered the first master’s degree programs in OD in 1975, and Case Western Reserve University began the first doctoral program in OD. Organization development now is being taught at the graduate and undergraduate levels in a large number of universities.\textsuperscript{41}

Many different organizations have undertaken a wide variety of OD efforts. In many cases, organizations have been at the forefront of innovating new change techniques and methods as well as new organizational forms. Larger corporations that have engaged in organization development include General Electric, Boeing, Kaiser Permanente, Texas Instruments, American Airlines, DuPont, Intel, Hewlett-Packard, Microsoft, General Foods, Procter & Gamble, IBM, Raytheon, Wells Fargo Bank, the Hartford Financial Services, and Limited Brands. Traditionally, much of the work was considered confidential and was not publicized. Today, however, organizations increasingly are going public with their OD efforts, sharing the lessons with others.

OD work also is being done in schools, communities, and local, state, and federal governments. Several reviews of OD projects have been directed at OD in public administration.\textsuperscript{42} Extensive OD work was done in the armed services, including the army, navy, air force, and coast guard, although OD activity and research activities have ebbed and flowed with changes in the size and scope of the military. Public schools began using both group training and survey feedback relatively early in the history of OD.\textsuperscript{43} Usually, the projects took place in suburban middle-class schools, where stresses and strains of an urban environment were not prominent and ethnic and socioeconomic differences between consultants and clients were not high. In more recent years, OD methods have been extended to urban schools and to colleges and universities.

Organization development is increasingly international. It has been applied in nearly every country in the world. These efforts have involved such organizations as Saab (Sweden), Imperial Chemical Industries (England), Orrefors (Sweden), Akzo-Nobel (The Netherlands), the Beijing Arbitration Commission and Neusoft Corporation (China), Air New Zealand, and Vitro (Mexico).

Although it is evident that OD has expanded vastly in recent years, relatively few of the total number of organizations in the United States are actively involved in formal OD programs. However, many organizations are applying OD approaches and techniques without using that term explicitly.
1-5 **Overview of the Book**

This book presents the process and practice of organization development in a logical flow, as shown in Figure 1.2. Part 1 provides an overview of OD that describes the process of planned change and those who perform the work. It consists of two chapters. Chapter 2...
discusses the nature of planned change and presents some models describing the change process. Planned change is viewed as an ongoing cycle of four activities: entering and contracting, diagnosing, planning and implementing, and evaluating and institutionalizing. Chapter 3 describes the OD practitioner and provides insight into the knowledge and skills needed to practice OD and the kinds of career issues that can be expected.

Part 2 is composed of six chapters that describe the process of organization development. Chapter 4 characterizes the first activity in this process: entering an organizational system and contracting with it for organization development work. Chapters 5 and 6 present the steps associated with the next major activity of the OD process: diagnosing. This involves helping the organization understand its current functioning and discover areas for improvement. Chapter 5 presents an open-systems model to guide diagnosis at three levels of analysis: the total organization, the group or department, and the individual job or position. Chapter 6 reviews methods for collecting, analyzing, and feeding back diagnostic data. Chapters 7 and 8 address issues concerned with the third activity: designing OD interventions and implementing change. Chapter 7 presents an overview of the intervention design process. Major kinds of interventions are identified, and the specific approaches that make up the next four parts of the book are introduced. Chapter 8 discusses the process of leading and managing change. It identifies key factors contributing to the successful implementation of change programs. Chapter 9 describes the final activity of the planned change process: evaluating OD interventions and establishing them as a permanent part of organizational functioning.

Parts 3 through 6 present the major interventions used in OD today. Part 3 (Chapters 10 and 11) is concerned with human process interventions aimed at the social processes occurring within organizations. These are the oldest and most traditional interventions in OD. Chapter 10 describes interpersonal and group process approaches, such as process consultation, third-party interventions, and team building. Chapter 11 presents more system-wide process approaches, such as organizational confrontation meetings, intergroup relations, and large group interventions.

Part 4 (Chapters 12, 13, and 14) reviews technostructural interventions that are aimed at organization structure and at better integrating people and technology. Chapter 12 is about restructuring organizations; it describes the alternative methods of organizing work activities as well as processes for downsizing and reengineering the organization. Chapter 13 presents interventions for improving employee involvement. These change programs increase employee knowledge, power, information, and rewards through parallel structures, total quality management, and high-involvement organizations. Chapter 14 describes change programs directed at work design, both of individual jobs and of work groups, for greater employee satisfaction and productivity.

Part 5 (Chapters 15, 16, and 17) presents human resource management interventions that are directed at integrating people into the organization. These interventions are associated traditionally with the human resource function in the organization and increasingly have become a part of OD activities. Chapter 15 concerns the process of performance management. This is a cycle of activities that helps groups and individuals to set goals, appraise work, and reward performance. Chapter 16 discusses interventions that manage human talent in the organization, including coaching, career planning and development, and management and leadership development. Chapter 17 presents two interventions that address and leverage workforce diversity and improve employee wellness.

Part 6 (Chapters 18, 19, and 20) concerns strategic interventions that focus on organizing the firm’s resources to gain a competitive advantage in the environment. These
change programs generally are managed from the top of the organization and take considerable time, effort, and resources. Chapter 18 presents three interventions having to do with organization transformation, including organization design, integrated strategic change, and culture change. Chapter 19 describes continuous change interventions, including dynamic strategy making, self-design, organization learning, and creating built-to-change organizations. Finally, Chapter 20 describes three organizational interventions: merger-and-acquisition integration processes, alliance formation and management, and network development and change.

Part 7 (Chapters 21, 22, and 23) is concerned with special topics in OD. Chapter 21 describes the growing application of OD to building sustainable management organizations and global social change organizations. Chapter 22 presents broad applications of OD in different kinds of organizations, including educational, government, family-owned, and health care agencies. Finally, Chapter 23 examines the future of organization development, including the trends affecting the field and the prospects for its influence on organization effectiveness.

**SUMMARY**

This chapter introduced OD as a planned change discipline concerned with applying behavioral science knowledge and practices to help organizations achieve greater effectiveness. Managers and staff specialists must work with and through people to achieve organizational objectives, and OD can help them form effective relationships with others. Organizations are faced with rapidly accelerating change, and OD can help them cope with the consequences of change. The concept of OD has multiple meanings. The definition provided here resolved some of the problems with earlier definitions. The history of OD reveals its five roots: laboratory training, action research and survey feedback, normative approaches, productivity and quality of work life, and strategic change. The current practice of OD goes far beyond its humanistic origins by incorporating concepts from organization strategy and design that complement the early emphasis on social processes. The continued growth in the number and diversity of OD approaches, practitioners, and involved organizations attests to the health of the discipline and offers a favorable prospect for the future.

**NOTES**


22. Likert, Human Organization.

23. Ibid.


26. Blake and Mouton, Managerial Grid.


29. Ibid.


37. Beckhard and Harris, Organizational Transitions.


