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ORGANIZATION DEVELOPMENT STRATEGY

INTRODUCTION

Organization Development (OD) is a long-term effort supported by top management to improve an organization's problem-solving and renewal process through effective management of organizational change.

According to Richard Beckhard, OD is an effort that is:

- Planned
- Organization wide

- Managed from the top
- Increases organization effectiveness and health
- That uses planned interventions in the organization's processes using behavioral science knowledge

There are two vital components of TQM, one technical, the other people-related. The people side of TQM is a direct descendant of OD. TQM is part cultural — largely drawn from the field of OD, a discipline aimed at improving the effectiveness of the organization and its members by means of a systematic change program.

Change is a way of life in today's organization. OD efforts are planned, systematic approaches to change. They involve changes to the total organization or to relatively large segments of it. The purpose of OD efforts is to increase the effectiveness of the system and also to develop the potential of individual members.

CHARACTERISTICS OF OD

The major characteristics of OD programs are:

1. A planned strategy to bring about organizational change. The change effort aims at specific objectives and is based on a diagnosis of problem areas.
2. A collaborative approach to change which includes the involvement and participation of all members within an organization.
3. An emphasis on ways to improve and enhance performance.
4. A systems approach concerned with the interrelationship of various divisions, departments, groups, and individuals as interdependent subsystems of the total organization.

5. A set of humanistic values about people and organizations that aims at gaining more effective organizations by opening up new opportunities for increased use of human potential.

Another way of understanding OD is to explain what it is not:

1. OD is not a micro approach to change. Management development, for example, is aimed at changing individual behavior, whereas OD is focused on the macro goal of developing an organization-wide improvement in management style.
2. OD is more than any single technique. Whereas OD consultants use many different techniques, such as management training, quality circles, or job enrichment, no single technique represents the OD discipline.
3. OD does not include random or ad hoc changes. OD is based on a systematic appraisal and diagnosis of problems, leading to specific types of change efforts.
4. OD is aimed at more than raising morale or improving attitudes. OD is aimed at overall organization health and effectiveness. This may include participant satisfaction as one aspect of the change effort, but includes other effectiveness parameters as well.

OD STRATEGY

OD is a continuing process of long-term organizational improvement consisting of a series of stages.

1. The awareness of a need for change.
2. The entry and intervention of a consultant.
3. Developing the consultant-client relationship.

4. The information-collecting phase.
5. The diagnostic phase.
6. Action plans, strategies and techniques.
7. Monitoring, reviewing, and stabilizing action programs.
8. The termination of an OD program.

Planned organizational change is a deliberate attempt to modify the functioning of the total organization or one of its major parts in order to bring about improved effectiveness.

In general, OD programs are aimed at three basic organizational dimensions which affect performance:

1. Effectiveness refers to the accomplishment of specific organizational goals and objectives. The closer an organization comes to achieving its strategic goals, the more effective the organization.
2. Efficiency refers to the ratio of output (results) to input (resources). The higher this proportion, the more efficient the organization.
3. Motivational climate refers to the set of employee attitudes and morale which influence the level of performance.

OD activities rest on a number of assumptions about people as individuals, in groups, and in total systems, about the transactional nature of organization improvement, and about values. The OD values are as follows:

- 1. Respect for people**

People should be treated with dignity and respect, not as only commodities or resources.

2. Trust and support

Management should develop an effective and healthy organization characterized by trust, authenticity, openness, and a supportive climate.

3. Power equalization

Management should provide opportunities for people to influence their work environment. Effective organizations are those with less reliance on hierarchical authority and control.

4. Confrontation

Management should provide an environment of open communication where problems aren't swept under the rug.

5. Participation

Management should provide opportunities for each individual to develop their full potential, by involving people in the decisions leading to organizational change.

GUIDELINES FOR CHANGE

Why is change so difficult? Possibly because the culture of the organization becomes a part of the people who perform the work. In changing these old patterns, people must alter not only their behavior but also their values and view of themselves. Organization structure, procedures, and relationships continue to reinforce prior patterns of behavior and to resist the new ones.

The ingredients of a successful change process are as follows:

1. Top-level commitment, clearly and visibly evident to all staff.
2. A shared vision of how to organize and manage for competitiveness.

3. Full involvement and commitment from the employees.
4. A good performance measurement system.
5. Continuous training and education.
6. Systematic and reinforcing communication.
7. Recognizing and rewarding people for change.
8. Institutionalizing revitalization through formal policies, systems and structures.
9. Establishing consistency with other major change projects with clear explanations of how they will fit the overarching business strategy.
10. Monitoring and adjusting strategies in response to problems in the revitalization process.