



Chapter 5

The process of organisational change

Learning objectives

- To understand the steps in the process of organisational change
- To describe the methods for designing change management processes
- To describe the five kinds of processes used in the implementation of change
- To describe the feedback processes for implementation and evaluation of managed change programs
- To understand the concept of institutionalisation of the changed state

Activities

Review questions

(See text p. 189)

1 What is the meant by the term 'intervention'? Identify and give examples of interventions for various situations.

A large part of OD is concerned with interventions for improving the performance of organisations. Interventions are sequenced and planned actions that are intended to enable an organisation to increase the effectiveness of its performance.

Interventions are designed to purposively disrupt the status quo. An integral part of the change process is making people feel a level of discomfort about the current state of the organisation in order to realise the need for change, that is, reach a stage of readiness for change.

The three criteria which define an effective intervention are organisational fit, the degree to which it is based on causal knowledge of intended outcomes, and the extent of the transferability of competence to manage change to organisation members. Examples of interventions include:

- Interpersonal interventions such as communication, problem solving, decision-making, how to interact and leadership.

- Human resource management intervention including the attraction of competent staff, goal setting and reward practices, planning and developing careers of employees.
- Strategic interventions including the functions, products, services and markets of the organisation, gaining competitive advantage, the organisation's relationship with the environment and the values which underpin the decision-making in the organisation.
- Technostructural interventions include the division of labour and the co-ordination of departments, how to produce products and services, and the design of that work.

Students should be referred to Figure 5.4, p. 160.

2 Compare and contrast different types of interventions.

The different types of interventions are interrelated. For example the impact of a technological change on the working environment of a group will not be limited to hardware and the physical environment, but also to interpersonal changes such as where people sit and what the disruption is to the new regime.

In addition to facing interrelated issues, organisations function at different levels: individual, group and organisation. Thus, organisational levels are targets of change in terms of the level of organisation they mainly affect. For example, as above, some technostructural interventions affect mainly individuals and groups (e.g. work design), whereas others impact primarily on the total organisation (e.g. structural design).

Note: Chapter 7 (see text p. 226) presents interventions that focus on people within organisations and the processes through which they accomplish organisational goals. These processes include communication, problem solving, group decision making and leadership. This type of intervention is deeply rooted in the history of OD. It represents the earliest change programs characterising OD, including the T-group and the organisational confrontation meeting. Human process interventions derive mainly from the disciplines of psychology and social psychology and the applied fields of group dynamics and human relations. Practitioners applying these interventions generally value human fulfilment and expect that organisational effectiveness follows from improved functioning of people and organisational processes.

Chapter 7 (see text p. 239) discusses human process interventions that are related to interpersonal relations and group dynamics. These include the following four interventions:

- *T-group.* This traditional change method is designed to provide members with experiential learning about group dynamics, leadership and interpersonal relations.
- *Process consultation.* This intervention focuses on the interpersonal relations and social dynamics that occur in work groups
- *Third-party intervention.* This change method is a form of process consultation aimed at dysfunctional interpersonal relations in organisations.
- *Team building.* This intervention is concerned with helping work groups to more effectively accomplish tasks. Like process consultation, team building helps members to diagnose their group processes and devise solutions to problems (see text p. 240).

Note: T-groups were also discussed in Chapter 1.

3 What/who are the primary targets of change programs? Why is it important that the identification of the primary target be accurate? What could occur if a mistake is made?

Interventions target organisational issues. These issues can impact either at an individual, group or organisation level. Interventions target strategic, technostuctural, HR and human process issues.

HR interventions are concerned with attracting competent people, setting goals and rewarding their performance. They aim to integrate people into the organisation to improve organisation performance. Part of this integration includes helping employees develop career paths that improve their quality of work life (QWL). Setting goals attempts to make a fit between personal and organisational objectives and performance appraisal methods provide feedback to employees and work groups about how they are progressing towards objectives.

Human process interventions deal with communication, decision making, leadership and group dynamics. It especially deals with conflict and interpersonal issues. It also assists in team building and performance, revised group targets and approaches to problem solving.

OD interventions seek to change specific features or parts of organisations. These targets of change are the main focus of interventions. Researchers have identified two key contingencies related to change targets that can affect intervention success: the organisational issues that the intervention is intended to resolve, and the level of organisational system at which the intervention is expected to have a primary impact (see text pp. 138–9).

Note: Figure 5.4 (see text p. 160) illustrates the types of OD interventions and organisational issues.

4 What does 'interpersonal' refer to? Compare and contrast the interventions that could facilitate interpersonal development?

Interpersonal issues relate to the social processes occurring among organisation members, such as communication, decision making, leadership and group dynamics. OD methods focusing on these kinds of issues are called 'human process interventions'. The most well-known human process interventions OD techniques include conflict resolution and team building.

Interpersonal interventions aim to identify how to communicate, solve issues, make decisions, interact and lead the organisation through the change process.

Arrange students into groups of three to five and have them examine the list of OD interventions noted in Table 5.4 (see text p. 160). Working through the list of OD interventions, students should identify which interventions might facilitate interpersonal development. Students should justify in what way such interventions actually develop interpersonal skills.

5 Why do people resist change? In your opinion, is this acceptable? Give reasons.

People resist change because they are not in a state of readiness to accept change. Change can generate deep resistance in people and in organisations, making it difficult, if not impossible, to implement organisational improvements. At a personal level, change can arouse considerable anxiety about letting go of the known and moving to an uncertain future. Individuals may be unsure whether their existing skills and contributions will be valued in the future. They may have significant questions about whether they can learn to function effectively and achieve benefits in the new situation.

At the organisation level, resistance to change can come from three sources. Technical resistance comes from the habit of following common procedures and the sunk cost of resources invested in the status quo. Political resistance can arise when organisational changes threaten powerful stakeholders, such as top executive or staff personnel and may call into question the past decisions of leaders. Organisation change often implies a different allocation of already scarce resources, such as capital, training budgets and good people. Finally, cultural resistance takes the form of systems and procedures that reinforce the status quo, promoting conformity to existing values, norms and assumptions about how things should operate.

Note: Resistance to change is also discussed in Discussion Question 6. Refer to Chapter 4 for more detail.

6 List the means by which resistance may be managed. Should managers consider the ethical component of such management?

There are at least three major strategies for dealing with resistance to change:

- *Empathy and support.* A first step in overcoming resistance is to know how people are experiencing change. This can help to identify those who are having trouble accepting the changes, the nature of their resistance and possible ways of overcoming it.
- *Communication.* People tend to resist change when they are uncertain about its consequences. Lack of adequate information fuels rumours and gossip and adds to the anxiety generally associated with change. Effective communication about changes and their likely consequences can reduce this speculation and allay unfounded fears. It can help members realistically prepare for change.
- *Participation and involvement.* One of the oldest and most effective strategies for overcoming resistance is to involve organisation members directly in planning and implementing change. Participation can lead to both designing high-quality changes and overcoming resistance to implementing them. Members can provide a diversity of information and ideas, which can contribute to making the innovations effective and appropriate to the situation. They can also identify pitfalls and barriers to implementation.

Additional activity

It is well known that communication is one of the crucial strategies. To allow students to experience the importance of communication, and to encourage them to enhance their own communication strategies, communication exercises can be used. It is important to select communication strategies that:

- are at the level of the students
- the students can relate to and will understand.

Many books and articles provide examples of communication exercises that can be used or adapted for use.

One very popular exercise is to divide the students into groups of ten to fifteen. One person in the group will write down a message. This message should contain:

- a date
- a time
- a person's name
- the name of a place.

For example: on Tuesday May 1, 2007 please collect Mr Brown from the Sydney International Airport who will be flying from Perth on a Qantas flight.

The person who wrote the message then whispers this message to the person next to him or her, and this second person then whispers the message that he or she heard to the next person, until it reaches the last person in the group. This last person then writes down the message that he or she heard and this last message is then compared to the initial message. Usually, the last message differs dramatically from the initial message. It is interesting to note that the more complex the message and the larger the group, the less accurate the received message will be. The lessons to learn from this exercise are:

- When a person wants to pass on a complex message it is not a good idea to do it verbally; rather, put it in writing.
- When a message should be communicated to a large group of people, do not rely on the people to convey the message to others, as each person will add his or her own contribution and interpretation to the message. Again, rather, put it in writing.

7 Which power strategy is most closely aligned with OD's traditional humanistic values? What is the relationship between power and politics?

The strategy of playing it 'straight' is most closely linked with an OD perspective and hence the most commonly utilised. This straightforward approach involves determining the needs of particular strong parties and presenting information for how the change will benefit them. The success of this tactic relies on the change agent's knowledge base. They must be able to use this information and persuade individuals that the change is necessary and beneficial. Historically, the humanistic roots of OD promoted the strategies of collaboration and power sharing among individuals and groups.

As change managers learn how to identify and use the capital which each individual and group brings to the change process, they become more adept at managing any conflict. That includes using the positive and negative power within the group to guide the change process. Politics is the expression of power through policy – the way we want things done. Students can be referred to the work of Bourdieu and Marx to explain how power bases influence political decisions.

8 How may you develop political support for the change process? Was Machiavelli the first OD practitioner? Give reasons.

The change agent needs firstly to assess what power they bring to the change process. This will usually be based on their qualifications and experience and the credibility they have in the field. It is important that that credibility is recognised by the participants in the change process. This first stage will also include assessing the power, the value, which others bring to the process and if gaps are identified by the change manager then strategies to meet the deficiencies can be undertaken. That

might include education or just informal explanation of the need for change through identifying the gap between the current and future states.

Secondly, the change agent must identify key stakeholders to ensure that no obstacles go unnoticed. The key question to ask is who stands to lose or gain from the change? Showing the relationship between stakeholders by using a map can be a useful exercise.

From a political perspective, organisations can be seen as loosely structured coalitions of individuals and groups with different preferences and interests. For example, shop-floor workers may want secure, high-paying jobs, while top executives may be interested in diversifying the organisation into new businesses. The marketing department might be interested in developing new products and markets and the production department may want to manufacture standard products in the most efficient way. These different groups or coalitions compete with one another for scarce resources and influence. They act to preserve or enhance their self-interest while managing to arrive at a sufficient balance of power to sustain commitment to the organisation and to achieve overall effectiveness.

Given this political view, attempts to change the organisation may threaten the balance of power among groups, resulting in political conflicts and struggles. Individuals and groups will be concerned with how the changes affect their own power and influence and they will act accordingly. Some groups will become less powerful, while others will gain influence. Those whose power is threatened by the change will act defensively and seek to preserve the status quo e.g. they might attempt to present compelling evidence that change is unnecessary or that only minor modifications are needed. On the other hand, those participants who will gain power from the changes will tend to push heavily for them. They may bring in seemingly impartial consultants to legitimise the need for change. Consequently, conflicting interests, distorted information and political turmoil frequently accompany significant organisational changes. The major strategies used to influence stakeholders include playing it straight, using social networks and going around the formal system. Complementing these strategies is the forming of the dominant coalition as described by Kotter's Integrative Model of Organisational Dynamics. This is a useful model for diagnosing and managing stakeholders through the change process. Refer to Figure 5.6, p. 170.

Machiavelli demonstrates a very clear understanding of how to get people to change, in many cases without conflict. He does this through clearly identifying the various organisational structures which enhance change and therefore confirm leadership. He recognises the impact of the context in which the change process is happening and how the different contexts impact in different ways. But it is Machiavelli's advice on the importance of keeping people informed and educated

about the reasons for change and the envisioning of the perfect future which identifies him as using what we now call OD principles. Students can be referred to any of Machiavelli's works, but especially 'The Prince' first published in 1531 as 'Il Principe'.

9 What does 'implementation feedback' try to measure? Is it likely to cover all aspects? Why/ why not?

Implementation feedback is used during the implementation process to guide the selected intervention and to assess whether it is being implemented as intended. Feedback provides information about the intervention's different features and immediate effects. This data is collected repeatedly and at short intervals to provide a series of snapshots about the intervention's progress.

As the intervention chosen provides only general guidelines for organisational change, managers and employees are left with the task of translating these guidelines into specific behaviours. Organisation members can use feedback information to gain a clearer understanding of the intervention (i.e. the behaviours and procedures required to implement it) and to plan for the next implementation steps. Once implementation feedback informs organisational members that the intervention is sufficiently in place, evaluation feedback begins.

In addition to providing effective feedback data, it is equally important to consider the way in which data is presented to people. Typically, data is given to organisation members in a meeting or series of meetings. Feedback meetings provide a forum for discussing the data, drawing relevant conclusions and devising preliminary action plans. The data may include sensitive material and evaluations of organisation members' behaviours, so people may come to the meeting with considerable anxiety and fear about receiving feedback. This anxiety can result in defensive behaviour aimed at denying the information or providing rationales. More positively, people can be stimulated by the feedback and the hope that desired changes will result from the meeting.

OD practitioners need to manage the feedback process so that constructive discussion and problem solving will occur despite people's expectations of feedback meetings. The feedback process' most important objective is to ensure that organisation members own the data. Ownership is the opposite of resistance to change and refers to people's willingness to take responsibility for the data, its meaning and the consequences of using the data to devise a change strategy. If the feedback session results in organisation members rejecting the data as invalid or useless, then the motivation to change is lost and members will have difficulty in engaging in a meaningful process of change.

Ownership of the feedback data is facilitated by the following five features of successful feedback processes:

- *Motivation to work with the data:* People need to feel that working on feedback data will have beneficial outcomes.
- *Structure for the meeting:* Feedback meetings need some structure or they may degenerate into chaos or aimless discussion.
- *Appropriate membership:* Generally, people who have common problems and who can benefit from working together should be included in the feedback meeting.
- *Appropriate power:* It is important to clarify the power possessed by the group. Members need to know to which issues they can make necessary changes or only recommend changes, as well as over which issues they have no control.
- *Process help:* People in feedback meetings need help to work together as a group. When the data is negative, there is a natural tendency to resist the implications and to deflect the conversation onto safer subjects.

When combined with effective feedback data, these features of successful feedback meetings enhance member ownership of the data. They help to ensure that organisation members fully discuss the diagnostic information's implications and that their conclusions are directed towards organisational changes that are relevant and feasible.

The most important objective of the feedback process is to ensure that organisation members own the data. Firstly, a successful feedback meeting will cause the people to feel that working on the feedback data will have beneficial outcomes. If it results in organisation members rejecting the data as useless, then the motivation to change is lost and the meeting will be a failure. Secondly, a successful feedback meeting must be properly structured. A proper agenda and outline should be used to prevent aimless discussion. This is because ownership can be lost in conversations that become too general. In order to maintain that ownership, a properly structured meeting is required.

Thirdly, if the participants cannot address the problems discussed, ownership is lost and the feedback meeting becomes meaningless. Therefore, a proper representation in a meeting is needed. Fourthly, it is important to clarify the power possessed by the group. If the group has no power to make any changes, the feedback process will become an empty exercise. Hence, unless clear boundaries are given, members are unlikely to use the feedback to generate action plans. Lastly, a

feedback meeting will be successful only if sufficient help is given to the people in the meeting. People in feedback meetings require assistance in working together as a group.

However, sometimes the most effective feedback meetings have a relatively loose connection to the data. Hence, it is more important for the group to use the data to better understand itself and to solve problems than it is to follow any particular steps in analysing the data.

Large amounts of data are collected in the course of diagnosing the organisation. In fact, there is often more information than the client needs or could interpret in a realistic period of time. If too much data is presented, the client may decide that change is impossible. Therefore, OD practitioners need to summarise the data in ways that allow clients to understand the information and its implications easily. Several characteristics of effective feedback data have been described in the literature (see text p. 153). Also, see Figure 5.2 on the effects of feedback (see text p. 152).

10 When should you identify the measurement variables to be used for evaluation and feedback? Is there a different perspective that you should consider?

The measurement variables for evaluation and feedback should be identified at the start of the OD process, and the OD practitioner and client should be comfortable with the identified measurement variables.

Measurement should already be built into the OD process from the early phases, such as planning. During the planning phase, the outcomes to be measured should already be determined. Other aspects to be considered regarding the measurement include:

- how the outcomes will be measured
- who will be responsible for the measurement
- when the measurement will be done.

11 Which indicator represents the highest degree of institutionalisation? Is this a good or bad thing for an organisation?

Institutionalisation involves making OD interventions a permanent part of the organisation's normal functioning. There are five institutionalisation processes: socialisation, commitment, reward allocation, diffusion, and sensing and calibration.

These processes all serve to increase member commitment to the change and, therefore, enhance the likelihood of making the intervention permanent in the organisation. The success of the processes is measured by:

- Knowledge – the extent to which participants can demonstrate their understanding of the change process and the envisioned state.
- Performance – the measure of the degree to which intervention behaviours are actually performed.
- Preference – this is the measure of the degree to which people privately accept the changed state or the level of inculcation of the new behaviours required to perform in the changed state.
- Normative consensus – reflects the extent to which the change has become the normative or accepted way of doing things in the organisation.
- Value consensus – social consensus on values that are relevant to the organisational change; that is that participants in the change process agree that what they are being asked to do fits comfortably with how they see value in the world around them.

The more indicators that are achieved, the higher the level of institutionalisation. The highest degree of institutionalisation is when all five measures indicate a high level of success. However it is also proposed that, as this is a hierarchical process – one level needs to be achieved before the next – once the normative consensus has been reached, institutionalisation has been achieved.

12 Whose ultimate responsibility is it to measure the outcomes of an OD process?

The ultimate responsibility for the measurement of the outcomes lies with the OD practitioner or the change manager if the process has been internal and the skills of a professional OD manager have not been employed.

There are two distinct types of OD evaluation: one intended to guide the implementation of interventions, responsibility for which lies with the change agent, and the other to assess their overall impact which may not be completed until long after the OD practitioner has left the organisation. In those cases, the responsibility lies with the CEO or even the board should the change process and end state have implications for the whole organisation.

13 What is 'diagnosis'? How does it relate to medical diagnosis?

Diagnosis is the process of assessing the functioning of the organisation. It is a methodical process which is underpinned by a choice of theories and models. By establishing a good diagnosis, the OD practitioner can work with the client organisation to establish a plan for change which is based on a jointly determined and common understanding of what the problems or challenges are.

It is very a collaborative process which is where it different from the traditional view of medical diagnosis, where the doctor is charged with using his or her knowledge and ability to establish what problems the patient has. That implies that there is something wrong with the patient.

In OD it may be that the managers wish to improve the performance of the organisation even though there is nothing identified as being wrong with current practices, policies and performance. In those situations diagnosis is development-oriented and the diagnostic process seeks to uncover specific areas for future development of the department's effectiveness.

14 What is 'equifinality'? What is its application in business?

The concept of equifinality means that the same outcomes can be produced by configuring a system in different ways.

In closed systems, there is a direct cause-and-effect relationship between the initial condition and the final state of the system. When the 'on' switch on a computer is pushed, the system powers up. Biological and social systems, however, operate quite differently. The idea of equifinality suggests that similar results may be achieved with different initial conditions and in many different ways. This concept suggests that a manager can use varying forms of inputs into the organisation and can transform them in a variety of ways to obtain satisfactory outputs. Thus, the function of management is not to seek a single rigid solution but rather to develop a variety of satisfactory options. Systems and contingency theories suggest that there is no universal best way to design an organisation.

15 What are the eight questions that need to be answered in establishing a diagnostic contract with an organisation? Can you think of others?

- 1 *Who am I?* The answer to this question introduces the OD practitioner to the organisation, particularly to those members who do not know the consultant, but who will be asked to provide diagnostic data.
- 2 *Why am I here, and what am I doing?* These answers are aimed at defining the goals of the diagnosis and data-gathering activities. The consultant needs to refer to Figure 5.2 on p. 142. The data-collection and feedback cycle of diagnostic activities fits into the overall developmental strategy.
- 3 *Who do I work for?* This answer clarifies who has hired the consultant, whether it be a manager, a group of managers or a group of employees and managers. One way to build trust and support for the diagnosis is to have such persons directly involved in establishing the diagnostic contract. Thus, for example, if the consultant works for a joint labour-management committee,

representatives from both sides of that group could help the consultant build the proper relationship with those from whom data will be gathered.

- 4 *What do I want from you, and why?* Here the consultant needs to specify how much time and effort people will need to give in order to provide valid data, and subsequently to work with these data in solving problems. Because some people may not want to participate in the diagnosis, it is important to specify that such involvement is voluntary.
- 5 *How will I protect your confidentiality?* This answer addresses member concerns about who will see their responses and in what form. This is especially critical when employees are asked to provide information about their attitudes or perceptions. OD practitioners can either assure confidentiality or state that full participation in the change process requires open information sharing. In the first case, employees are frequently concerned about privacy and the possibility of being punished for their responses. To alleviate concern and to increase the likelihood of getting honest responses, the consultant may need to assure employees of the confidentiality of their information. This may require explicit guarantees of response anonymity. In the second case, full involvement of the participants in their own diagnosis may be a vital ingredient in the change process. If sensitive issues arise, assurances of confidentiality can restrict the OD practitioner and thwart meaningful diagnosis. The consultant is bound to keep confidential the issues that are most critical for the group or organisation to understand.
- 6 *Who will have access to the data?* Respondents typically want to know whether or not they will have access to their data and who else in the organisation will have similar access. The OD practitioner needs to clarify access issues and, in most cases, should agree to provide respondents with their own results. Indeed, the collaborative nature of diagnosis means that organisation members will work with their own data to discover causes of problems and to devise relevant interventions.
- 7 *What's in it for you?* This answer is aimed at providing organisation members with a clear assessment of the benefits they can expect from the diagnosis. This usually entails describing the feedback process and how they can use the data to improve the organisation.
- 8 *Can I be trusted?* The diagnostic relationship ultimately rests on the trust that is established between the consultant and those providing the data. An open and honest exchange of information depends on such trust, and the practitioner should provide ample time and face-to-face contact during the contracting process in order to build this trust. This requires the consultant to actively listen and openly discuss all questions raised by respondents.

Careful attention to establishing the diagnostic relationship helps to promote the three goals of data collection.

Discussion and essay questions

(See text p. 190)

1 Compare and contrast employee involvement (EI) and quality of work life (QWL) with OD. Under what circumstances are these best used?

QC is a participative approach to employee involvement that aims to improve employees' performance continuously so that they perform a little better each day.

Circle programs consist of a group of employees, usually five to 15, who meet voluntarily. Members are trained in different problem identification and analysis techniques. Each circle has a leader, typically a workplace supervisor, who trains circle members and guides weekly meetings. Through having supervisors lead QCs, management still retains considerable control of the process.

Circle programs also have facilitators who co-ordinate the circle's activities and attend meetings, especially in the early stages of circle development. Facilitators train circle leaders, help circles to obtain needed inputs and keep upper management apprised of the program's progress.

Though facilitators co-ordinate the circle's activities, a steering committee, generally composed of representatives of the major functional departments, is the QC program's central co-ordinator. They determine the program's policies and procedures as well as the issues that fall outside the circle's domain such as wages, fringe benefits and other topics normally covered in union contracts.

Unlike circle groups, which usually deal with quality of work life issues such as smoking in the workplace, TQM focuses on work processes and recommends improvements. TQM emphasises saving costs and meeting customer demands.

Under TQM, employee involvement begins with a personal commitment to quality. The rationale is that if employees accept and commit to a quality philosophy, they are more apt to learn quality tools and techniques and use them in their daily work. Unlike with QC, TQM does not expose employees to industrial or engineering tools and techniques to help them improve their performance. TQM primarily involves in-house trainers teaching staff facilitation skills.

More complicated than quality circles is the movement to self-directed work teams. In TQM, as employees begin to see the benefits of a commitment to quality, they will then be more receptive to working in teams. This team in turn reinforces personal commitment, driving a continuous cycle of improvement. As teams become empowered in TQM efforts, organisations will naturally flatten and fewer layers of

management will result. Employees under the TQM approach have more discretion in decision making and receive more training and development.

Despite these differences, QC and TQM share a common goal: they are formed to increase employee participation in the workplace. Under both approaches the four elements of employee involvement – empowerment, information, training and development, and reward – exist. The differences lie in the varied emphasis on the four elements; TQM gives employees more decision-making power and training and development than quality circles.

Employee involvement is aimed at moving decision-making downward in the organisation, closer to where work takes place. This leads to quicker, more responsive decisions and greater employee flexibility, commitment and satisfaction. It empowers employees and helps them to participate in management and design their own work.

Quality of work life includes adequate compensation, safety, the development of human capacities, growth and security. It also includes the social integration of employees into the company and life space – having a balance between work and home life, and social relevance – how employees see their company being relevant within society. EI is a mechanism for OD. It improves QWL and that increases productivity. Note: QWL is also discussed in Chapter 1 (see text p. 17).

**2 Explain what an ‘intervention’ is and how it fits into the OD process.
What are the key considerations when deciding on an intervention?
What are the inherent dangers in selecting the most appropriate interventions?**

Change interventions are planned actions taken to improve an organisation’s effectiveness. To be considered effective, the intervention must be relevant to the organisation. It must direct the organisation in the path of its objectives.

Interventions are based on information about how the company functions. It is essential that the OD practitioner uses relevant information and accurately diagnoses the problems, so that an appropriate intervention approach is chosen. There is not a cause and effect relationship in the management of change.

For the chosen intervention to be successful, people in the company have to take part and commit. They should feel they own the intervention. Enabling employees to participate in decision making and not imposing decisions on them gains commitment. The aim is to pass on competence to the organisation and its people.

Interventions are the tools for organisation development. The OD process involves the collection of relevant data and its diagnosis. The intervention methods

and actions are planned based on the diagnosis. The interventions are executed to implement the changes and finally the results and processes are evaluated.

Key criteria for deciding on an intervention method include determining what problems exist and need changing. That is, based on relevant information and in consultation with the firm, the OD practitioner needs to determine what improvements will enhance the organisation's performance.

It is an expensive mistake to change already successfully functioning aspects of an organisation or aspects that don't make any significant contribution to organisational performance. For example, intervening in technological structure won't make a difference to the organisation's development if people recruited don't have the relevant skills or ability. If that were the situation, then an HR management change intervention would be more appropriate. Technostructural intervention would only cost the company money.

The reasons for intervening have to be usefully considered. The practitioner's likes or dislikes for various intervention methods should not influence the choice. If the OD practitioner doesn't have the relevant skills and experience, the organisation should be referred to someone who does.

The next question to ask is who will different interventions impact and how? What changes would the people in the organisation be more likely to embrace? Will they call them their own? Or are the people in the organisation more likely to accept one method as compared to another?

Other considerations when deciding on an intervention method include the budget available as compared to the amount of money different intervention methods take to implement. Do the intervention methods being considered require external agents as well as internal people, and is the organisation willing to fund them? Also, the time available and the time it takes to complete different interventions must be considered.

Additional activity

Divide students into two groups to engage in a class debate.

3 'The process of evaluating OD interventions are often ignored'. Why would this be the case? Consider the consequences of this occurring.

This question is an overview of the information discussed in this chapter, it provides the ideal opportunity for discussion in pairs or small groups.

The evaluation of OD interventions is often ignored because of the perceived success of the intervention, and the lack of resources to undertake an evaluation,

including the lack of knowledge and skill on which to base an evaluation process. Often the change manager or external OD practitioner has left the organisation long before the full process has been completed and especially before institutionalisation has taken place.

The risks include that the perceived original problem was incorrect, which can be overcome by including evaluation in each phase of the change process rather than just having a final focus. A further risk is the fact that it is never known whether all aspects of the process were successful. Lastly, future opportunities for maximising the organisation's potential may be missed, posing a further risk.

4 *Some would say that the word 'institutionalising' is an emotive term and should not be used when describing OD. Why is this so? Do you agree? Why/why not?*

Institutionalisation involves making OD interventions a permanent part of the organisation's normal functioning. Institutionalisation is a normal part of the social structure of societies. For example the justice system is an institution. The emotion ascribed to the term usually arises when people are not well informed and they perceive that they are being manipulated into change against their wishes. They perceive that negative power is being used to make them change. Institutionalisation is a concept that describes the end point for change processes in our society.

Additional activity

In small groups ask students to discuss the ethical issues related to institutionalisation.

5 *Feedback of diagnostic data collected during an examination of the organisation concerned is considered an important element in a successful OD intervention. Why? What are the characteristics of effective feedback?*

The two kinds of feedback involved in the evaluation process are 'implementation' and 'evaluation' feedback.

Implementation feedback is used during the implementation process to guide the selected intervention and to assess whether it is being implemented as intended. Feedback provides information about the intervention's different features and immediate effects. This data is collected repeatedly and at short intervals to provide a series of snapshots about the intervention's progress. Organisation members can use the information derived to gain a clearer understanding of the intervention (i.e. the behaviours and procedures required to implement it) and to plan for the next implementation steps. Once implementation feedback informs organisational members that the intervention is sufficiently in place, evaluation feedback begins. Characteristics of effective feedback data are described in the text pp. 151-152.

For feedback to be effective it must be:

- 1 *Relevant.* Organisation members are more likely to use feedback data for problem solving if they find the information meaningful. Including managers and employees in the initial data-collection activities can increase the relevance of the data.
- 2 *Understandable.* Data must be presented to organisation members in a form that is readily interpreted. Statistical data, for example, can be made understandable through the use of graphs and charts.
- 3 *Descriptive.* Feedback data needs to be linked to real organisational behaviours if they are to arouse and direct energy. The use of examples and detailed illustrations can help employees gain a better feel for the data.
- 4 *Verifiable.* Feedback data should be valid and accurate if they are to guide action. Thus, the information should allow organisation members to verify whether the findings really describe the organisation. For example, questionnaire data might include information about the sample of respondents as well as frequency distributions for each item or measure. This kind of information can help members verify whether the feedback data accurately represent organisational events or attitudes.
- 5 *Timely.* Data should be fed back to members as quickly as possible after being collected and analysed. This will help ensure that the information is still valid and is linked to members' motivations to examine it.
- 6 *Limited.* Because people can easily become overloaded with too much information, feedback data should be limited to what employees can realistically process at any one time.
- 7 *Significant.* Feedback should be limited to those problems that organisation members can do something about. This will help energise them and direct their efforts towards realistic changes.
- 8 *Comparative.* Feedback data without some benchmark as a reference can be ambiguous. Whenever possible, data from comparative groups should be provided in order to give organisation members a better idea of how their group fits into a broader context.
- 9 *Un-finalised.* Feedback is primarily a stimulus for action and should, therefore, spur further diagnosis and problem solving. Members should be encouraged, for example, to use the data as a starting point for more in-depth discussion of organisational issues.

Additional activity

Divide students into two groups to engage in a class debate. The first group should support the following statement: There is a need to modify or adapt data collection

methods. The second group should support the following statement: There is no need to modify or adapt data collection methods. Students may prepare for the debate in class or prior to class. The debate will occur in class.

Applications—Critical thinking questions

These questions are ideal for organising students into groups of three to five to debate the issues. You could extend the debate by being flexible and responsive to their comments. There are no right or wrong answers for these questions as they are intended to challenge students to think about how theory might be applied to actual organisations and situations.

5.1 Restaurants learn dark side of social networking

- 1 *The article suggests that today's employees have no right to privacy when they are expressing their opinions or thoughts about their working environment on electronic sites such as MySpace or Facebook. Therefore, do you think an employer has the right to fire or discipline you, if you express unflattering comments about your employer? Discuss.***

Current employments agreements and contracts will contain a clause which suggests that bringing the organisation into disrepute is serious misconduct and will be treated as such. That is an HR issue and the correct disciplinary procedures should be documented in the contract and/or company policy, the principle being that they are known to every employee.

Employment has two sides; the employer provides the job and the reward of wages or salary to complete it. The employee accepts responsibility to carry out the tasks of the job in return for wages or salary. Inherent in that relationship is the understanding of 'good employer' and 'good employee'. There is a commitment to support the organisation by the employee.

However, it is always in the interests of both parties to get any disagreements sorted out so that organisational performance can be maximised and it may be that the employer needs to create a work environment of trust and respect through credibility, honesty and transparency in how they run their organisation. Strategies for ensuring that employees do not 'go public' should be clear to all.

- 2 *When an employee enters into an employment contract are they also signing away their rights to privacy and their own private life within work hours? Discuss.***

The issue is not about the right to privacy of employees during the time they are actively employed. Modern societies have sophisticated rules about the privacy of information about the individual. The issue is about the use of time while at work

and that is to provide results for the organisation. However, as experienced employers will tell us: we do not employ people as entities separate from their family and other social responsibilities and a good employer manages that carefully to ensure that employees feel that they are understood while at the same time they should not abuse their employment.

Additional activity

Students should be encouraged to look at the issue from the perspective of both employers trying to maximise the organisation's performance, and employees who are part of a wider social structure.

5.2 Changes at IBM – signing off: Akers quits at IBM under heavy pressure; dividend is slashed – outsiders will lead search for new chief executive to be a 'change-master' – but who'd want this job?

1 What implementations can the board introduce that will make a difference to IBM's profitability? Think about how IBM's landmark announcement to abandon its tradition to never lay off staff will impact on the board's thinking.

The IBM board needs to get the change process started; firstly, through getting the organisation ready for change. Time is an issue, as a new CEO may take some time to be recruited. The demonstration that the board is ready and willing for change is an important message to be sending to any prospective CEOs. The key message to staff should be that there is a need for change and that will include a new vision and new ways of doing business at IBM, including staff lay-offs. That message is important for two reasons, firstly that the board will be seen as honest and transparent and secondly the HR function can be commenced.

It is important to retain the staff who add value to the organisation – if they are good, they will be the people who can change and grow IBM in new directions. The company does not want to lose these employees through misinformation or the lack of information. They need to know where their future lies.

2 Why do you think successful change in corporate America has come about with the introduction of having someone 'outside' the business leading the business?

Business commentators argue that external appointments are more likely to be objective about the change required. Their level of objectivity is related to the lack of emotional commitment to the company. The view of a new CEO is not encumbered by the failures of the past executive. It is a good strategy however, the new appointment needs to have current knowledge of the technology involved.

5.3 In the workplace: Division of labour

- 1 ***Henri Fayol (1841–1925) stated that workers must be divided into specialised jobs because potentially, workers who are specialised in their work will be more efficient and productive. This suggests that the implementation of multi-tasking might be counterproductive to the overall productivity of the firm. Therefore, would ‘multi-tasking’ be suitable in a modern contemporary work environment: why/why not?***

In most modern corporations workers are encouraged to multi-task, being empowered to identify problems, generate solutions, and apply the best idea among them. Multi-tasking has allowed considered savings in human resource costs. However, there are some situations where specialisation still has a place; usually this is where there is a requirement for very specialised decision making, such as in specialised professional jobs or, conversely where there are large numbers of unskilled staff who have limited decision making ability but who are able to perform specialised tasks with practice.

Division of labour or the resulting job specialisation is where each job includes a subset of the tasks required to complete a product or service. Producing an automobile, for instance, requires thousands of specific tasks that are subdivided among several hundreds of thousands of workers.

The historical theory is that line supervision is facilitated and that the division of work into specialised jobs potentially increases work efficiency. The advantages were that workers could become very efficient at specific tasks. It is of note that this was in the context of a largely uneducated workforce.

Multi-tasking is designed to have as many decisions about the job at hand made by the individual worker. Today’s workers are largely educated and many have specialised education. Multi-tasking proceeded from job enrichment, empowerment, and participatory management which were popularised by the Japanese. Most employees indicate a preference to complete the ‘whole’ job or project and multi-tasking is therefore the prominent choice of job design.

- 2 ***The article states: ‘if you cannot rock the boat with the new CEO, you are destined to always do what you’ve always done before.’ Why is this statement about feedback and interventions? Think about the behaviours of people when they start a new job, what are they most likely to do and not do. For example, when you started a new job, what was your first day like?***

The best time to be objective about a certain practice or policy is during the first six months from any change – including a change in CEO, which is often the catalyst for change as the key role of the CEO is leadership and leadership should be

synonymous with change agent. The principle can be transferred to any new employee who will observe the differences from previous workplaces. It is essential that new employees are given an opportunity in a safe environment to report on their new experiences before they become part of the new system and lose their ability to compare and contrast the different practices.

Additional activity

Divide the students into small groups; get them to identify the list of differences in work processes between their old job and their most recent positions.

Additional suggested readings

Bourdieu, P. 1990. *The Logic of Practice*, (trans R. Nice) Polity Press, Cambridge

Cooper, R & Burrell, G 1988, 'Modernism, postmodernism and organisational analysis: An introduction', *Organisation Studies*, 9.1, pp. 91–112.

(An old and long article – very theoretical but a challenge – regarding the source of current approaches and thinking about organisations.)

Kotter, J. P. 1980. An Integrative Model of Organisational Dynamics, in E.E. Lawlor, D.A. Nadler and C. Cammann, *Organisational Assessment*, New York, Wiley

Machiavelli, N. 2004, 'The Prince' Penguin Books London