
Organization Development and Change

Third Edition

Edgar F. Huse

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Preface

We live in a world of organizations. They provide us a means to earn a livelihood. They furnish us with basic necessities such as food, shelter, health care, and safety, and with luxuries such as automobiles, televisions, designer clothes, and personal computers. Most of us would find it extremely difficult to live without organizations. Yet, we have all experienced troubles living with them. Organizations can provide people with meaningful and productive work; they can also alienate people and make them feel dissatisfied and incompetent. Organizations can enable people to achieve amazing feats such as curing polio and putting a person on the moon; they can also block innovation and productive effort and contribute to inefficiency and waste.

The 1980s have witnessed an unprecedented emphasis on organizations and their impact on human well-being and productive achievement. Widespread attention has been given to developing ways to make organizations more humanly satisfying and productive. Government has called for "renewing" American industry—for making it more efficient, innovative, and competitive. Unions have demanded greater participation and quality of work life for their members. Managers and administrators have flocked to bookstores, conferences, training programs, and universities to learn new management practices and ways to improve organizational excellence. Academics and consultants have expended similar efforts in discovering these new approaches.

This book is about *organization development* (OD), an applied field of social science aimed at helping organizations to improve human fulfillment and productivity. This discipline, barely three decades old, is still evolving and growing. It includes a diversity of theories, approaches, and techniques, and is adding new concepts and methods at an astonishing rate. As with any new, fast-growing field, much confusion and misunderstanding surround organization development. Some people regard it as a single approach, such as team building. Others see it as the only way to solve organizational problems. Some regard OD as a way to keep everyone happy by letting employees do as they please.

The purpose of this book is to place the current theory and practice of organization development into a broad systems perspective and to describe in a clear and organized fashion the concepts, approaches, and techniques of

OD. Organizations are viewed as systems composed of interrelated parts, and organization development is described as an evolving or changing system.

This book can be used in a number of ways. It serves as a basic textbook in organization development at both undergraduate and graduate levels. The book is organized to provide students with a comprehensive understanding of OD, starting with how it is applied to organizations, then major interventions used in OD, and finally the evaluation and practice of OD. The book can also serve as an independent study guide for those wishing to learn more about how organization development can improve productivity and human satisfaction. The book is intended to be of value to students as well as to OD professionals; managers and administrators; specialists in such fields as personnel, training, occupational stress, and human resource management; and anyone interested in the complex process known as organization development. The material contained in the book can be applied to a wide variety of organizations, both public and private.

Since the first two editions of the book were published, Edgar F. Huse, the father of this text, died. I was asked by West Publishers and Ed's wife, Mary Huse, to revise the book for this third and subsequent editions. In keeping with the spirit of this pioneering text, the third edition of the book is a comprehensive, up-to-date account of organization development. It builds on the strength of the previous editions and adds new material and approaches that have been developed in the five years since the second edition was published. The text breaks new ground in integrating traditional perspectives of organization development with the newer quality-of-work-life, organization design, human resource management, and strategy areas. I think Ed Huse would have liked this third edition.

Writing a book is a difficult and intricate process that cannot be accomplished alone. Although it is impossible to recognize everyone by name, let me extend thanks to the following people who have been of influence and assistance:

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Thomas G. Cummings

Rancho Palos Verdes, CA
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Chapter 1

General Introduction to Organization Development

INTRODUCTION

This is a book about *organization development* (OD)—a process by which behavioral science knowledge and practices are used to help organizations achieve greater effectiveness, including improved quality of work life and increased productivity. Organization development differs from other planned change efforts, such as purchasing new equipment, floating a bond issue to build a new plant, or redesigning an automobile or a school curriculum, because the focus is upon human resources and their motivation, utilization, and integration within the organization. Moreover, OD is oriented to changing the total system—to improving organizations and their parts in the context of the larger environment that impacts upon 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 30 years, both in terms of people's needs to work with and through others in organizations and in terms of organizations' needs to adapt to a complex and changing world. Third, it reviews briefly the history of OD, and fourth, describes the evolution of OD with respect to the current state of the field. This introduction to OD is followed by an overview of the rest of the book.

WHAT IS ORGANIZATION DEVELOPMENT?

Organization development is an evolving mixture of science and art. It is both a professional field of social action and an area of scientific inquiry. The practice of OD covers a wide diversity of activities, with seemingly endless variations upon them. Team building with top management, structural change in a municipality, and job enrichment in a manufacturing firm are all aspects 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.

Although a number of conceptions of OD exist, with considerable overlap among them, the following concept incorporates the most current views and is

used in this book: *a systemwide application of behavioral science knowledge to the planned development and reinforcement of organizational strategies, structures, and processes for improving an organization's effectiveness.*

This concept emphasizes several features that differentiate OD from other approaches to organizational change and improvement.

First, OD applies to an entire system, such as a company, a single plant of a multiplant firm, or a department or work group. This contrasts with approaches focusing on one or only a few aspects of a system, such as management information systems and individual employee counseling.

Second, OD is based on behavioral science knowledge and practice, including microconcepts such as leadership, group dynamics, and work design, and macroapproaches such as organization strategy, organization structure, and organization and environment relations. These subjects distinguish OD from approaches to change emphasizing applications of operations research and engineering. While focusing on the technical and rational aspects of organizations, these approaches tend to neglect the personal and social needs.

Third, whereas OD is concerned with planned change, it is not in the rigid, formal sense typically associated with business planning. Rather, OD is more an adaptive strategy for planning and implementing change than it is 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 about how the change program is progressing. If, for example, employee motivation were a concern, a job enrichment program might begin with plans to assess the motivation potential of existing jobs and to redesign those jobs if necessary. These plans would be modified if the assessment discovered that job design was not the problem, but that a poor reward system was reducing employee motivation.

Fourth, OD involves both the creation and subsequent reinforcement of change. It moves beyond the initial attention to implementing a change program to a longer-term concern for stabilizing and institutionalizing change within the organization. For example, the implementation of a job enrichment program might focus on ways in which supervisors could give workers more control over work methods. After workers had more control, attention would shift to assuring that supervisors continued to provide that freedom. This assurance might include rewarding supervisors for managing in a participative style.

Fifth, OD encompasses strategy, structure, and process changes, although different OD programs will focus more on one kind of change than another. A change program aimed at modifying organization 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 interactions and problem-solving

processes within the group. This focus might result in the increased ability of top management to solve company problems in strategy and structure.

Finally, OD is oriented to improving organizational effectiveness. This involves two major assumptions. First, an effective organization is able to solve its own problems. OD helps organizational members gain the skills and knowledge necessary to do this problem solving. In this sense, OD differs from other forms of planned change in which external experts either directly solve organizational problems or recommend firm solutions to those problems. Second, an effective organization has both a high quality of work life and high productivity. It is able to attract and motivate effective employees who then perform at high levels. Moreover, the organization's performance is responsive to the needs of external groups, such as stockholders, customers, suppliers, and government agencies, that provide the organization with resources and legitimacy.

WHY ORGANIZATION DEVELOPMENT?

The need for organization development can be examined from both a personal and an organizational perspective. In terms of personal career objectives, the study of OD obviously is 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 thorough understanding of OD is also important, however, to those who have no aspirations to become a professional practitioner. All managers are responsible for supervising and developing subordinates and for improving their departments' performance. Similarly, all staff specialists, such as accountants, financial analysts, engineers, personnel specialists, or market researchers, are responsible for offering advice and counsel to managers and for introducing new methods and practices.

Organizational development can help managers and staff personnel perform these tasks more effectively. It can provide the skills and knowledge necessary for establishing effective interpersonal and helping relationships. It can show personnel how to work effectively with others in diagnosing complex problems and 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.

From an organizational perspective, OD is relevant to helping organizations remain viable and continue to survive in a world of change. Organizations increasingly face environments of rapid political, scientific, technological, economic, and cultural change. Some major societal changes affecting organizations include the accelerating shift towards an information society, where the vast majority of the nation's jobs and its gross national product result from information activities; the increase in high-technology jobs and industries requiring complex maintenance skills and innovative responses; the greater demand for participation in political and economic matters, including

worker participation and employee rights; the rapid shift toward horizontal linkages and networking, making bureaucratic structures increasingly obsolete; and the shift towards decentralized problem solving, requiring more localized power and decision making.¹

Many organizations have been able to keep pace with innovation and change in information technology itself. Few firms, however, have had the same success adapting to the corresponding cultural and social change. Organization development is an emerging discipline directed at helping organizations manage such change more effectively. It can help organizations assess themselves and their environments, and revitalize and rebuild themselves if necessary. It goes beyond structural and technical change to include transforming the underlying values and beliefs that govern organizational behavior. It helps organizational members develop a critical social awareness of their organization and the surrounding world. In brief, OD is relevant to any organization faced with the need to adapt to a complex and rapidly changing world.

A SHORT HISTORY OF ORGANIZATION DEVELOPMENT

A brief history of OD will help clarify the evolution of the term as well as some of the problems and confusions that have surrounded its development. OD emerged from three different backgrounds. 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 background was the early work in survey research and feedback. Kurt Lewin, who was instrumental in the development of both of these areas, was also an important influence in encouraging groups to process their own data. The third background, only recently becoming popular in this country (as opposed to Norway and Sweden), is the approach focusing on productivity and the quality of work life.

Laboratory Training Background

Essentially, the National Training Laboratories 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 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 discuss problems. Meanwhile, the researchers discussed privately what they had observed. The community leaders asked permission to sit in on these feedback sessions. Reluctant at first, the researchers finally agreed. The first T-group was formed where people reacted to data about