

DANIEL ROBEY STEVEN ALTMAN

ORGANIZATION DEVELOPMENT

PROGRESS AND PERSPECTIVES



ORGANIZATION DEVELOPMENT: PROGRESS AND PERSPECTIVES

Edited by

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To
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INTRODUCTION

Growing concerns about organizational effectiveness have, over the last twenty-five years, led both managers and management theorists to employ a variety of methods to enhance organizational success. These techniques, largely behavioral, form the nucleus of Organization Development (OD). Sensitivity training, job enrichment, management by objectives, team building, and motivation training are but a few of the methods used in OD. As distinguished from the random application of these techniques, OD is a planned, comprehensive effort. Ideally, organizational problems are first diagnosed, treated with the appropriate techniques, and then examined to see if the problems have been solved. OD is practiced by consultants, or "change agents," who generally have professional training in psychology and who may be outside or inside the organization. Thus, *Organization Development is a systematic process with an underlying value system which employs a variety of techniques introduced by a consultant to improve the effectiveness of complex organizations.*

Theories of organization stress that the success of management practices depends on the situation. Not all techniques are applicable to all situations. The context of the organization (its environment, technology, size), individual differences among employees (motives, abilities), and practical considerations in the work place (unionization, affirmative action guidelines) all influence the effectiveness of attempts at organizational improvement. Until recently management techniques have been

applied in a haphazard fashion with no attempt to coordinate them into a master plan. Organizations that simultaneously employ "management information systems," "management by objectives," "decentralization," "team development," and "matrix organization" would find the mixture quite hard to manage in spite of the professed advantages of each approach. Current books in management, however, strongly reflect a more complete view, and some are explicitly organized to accentuate pros versus cons or points and counterpoints.¹ Current texts in OD, by contrast, are largely one-sided in their support of OD values and techniques. We feel that the time has come for a text in OD presenting a dialectic approach in which the reader is able to synthesize conflicting viewpoints in order to arrive at a comprehensive view of the field.

The purpose of this book is to point out current developments in Organization Development and to provide some of the tools necessary to evaluate OD techniques. We attempt to show both OD's strengths and points of vulnerability. This perspective is achieved through the compilation of articles and other materials that use accepted research techniques and sound conceptual arguments. Published studies, case reports, review essays, and even a satire have been assembled from diverse sources, along with brief introductions and commentary. Because OD's humanistic values have frequently been called into question, it is further our aim to examine the underlying values and assumptions of OD, both expressed and implied.

The Need for a Management Approach

This text is written primarily for courses in organization development offered by undergraduate and graduate schools of business. The text will also be useful as a supplemental text for courses in organization behavior, management, or organization theory at both the graduate and undergraduate levels. Schools and departments stressing public sector administrative study will also find significant value in this text. The book may be used as a stand-alone text, as a supplement to another basic text, or may be supplemented by experiential or other materials, depending on individual instructor's objectives.

Books and articles on Organization Development are rarely written with the practicing manager or the student of management in mind. Rather, they are aimed primarily toward OD students and consultants and designed to improve their consulting skills. Students of OD, who are only beginning to learn the approach and its methods, will need to face

¹See Jon M. Shepard (ed), *Organizational Issues in Industrial Society* (Englewood Cliffs, N.J.: Prentice-Hall, 1972); Walter R. Nord (ed), *Concepts and Controversies in Organizational Behavior*, 2nd ed. (Pacific Palisades, Calif.: Goodyear, 1975); Karl O. Magnusen (ed), *Organizational Design, Development, and Behavior: A Situational View* (Glenview, Ill.: Scott-Foresman, 1977); and Stephen P. Robbins, *Organizational Behavior* (Englewood Cliffs, N.J.: Prentice-Hall, 1979).

the issues we raise. Hopefully, their exposure to a critical perspective will sharpen their skills in implementing OD techniques. But it is also important that managers and management students be introduced to the concepts of OD so that they can deal effectively with the OD process and its practitioners.

Managers' critical skills need sharpening because *their* organizations bear the expense of Organization Development. Without knowledge of OD, managers are more vulnerable to the persuasive arguments of consultants. How can they say no to an intervention that will improve teamwork or increase performance? But investment in organizational improvement should be evaluated like any other investment. The cautious manager will want to see costs and benefits compared and past performance of the consultants documented. Since a complete and unbiased account of successes and failures is not likely to be given by a consultant, managers must become conversant with OD language, ask the right questions, and evaluate the answers independently. The readings in this book are designed primarily to help make it possible for the manager to develop an analytical perspective of OD rather than to contribute further to the insights of OD professionals into their own field.

Readability and Relevance

In our teaching we have become acutely aware of student demands for practical and readable course materials. Therefore, our selection criteria for the readings in this book were quite strict. In order of importance, these criteria are:

1. readability
2. soundness of concepts and/or methodology
3. management orientation
4. complementarity with other selections
5. currency

We have selected articles that are academically sound and, importantly, eminently readable. Our readings reflect the best of both criteria and demonstrate that good writing and worthwhile ideas can be complementary.

The need to produce sound reading materials for *managers* is acute, and our selections reflect this concern as much as possible. Our selections are also distinguished from much of the material written for managers in that our readings attempt to convey the complexity of the issues. OD must make its programs speak to specific management concerns and must encourage systematic evaluation of those programs through acceptable research methods.

We have also designed the text so that the readings complement one another. While our first thought was to present a dialectical pair of articles on each issue or technique, this proved to be too confining. The

spirit of the dialectic persists, however, in the selections chosen. Redundancy has been minimized, and a balanced perspective has been maintained throughout the text.

Finally, the selections are current, although date of original publication was not a primary factor in selection. This reflects the fact that critical evaluations in OD are a recent phenomena, indicating a growing maturity the field has lacked in earlier days.

Organization of the Text

We have organized the selections in this text into four major parts, illustrated in Figure 1. Part I contains essential overview material that critically examines the values and assumptions of OD and its change agents. These readings are far more than a cursory introduction; the issues raised in Part I pertain to all of OD (all consulting, for that matter) and are far from being resolved. Any manager evaluating an OD proposal should be cognizant of the theories and techniques of OD. Since OD lacks the careful legal certification of other professions, it is important that the ethical and value issues be discussed.

In Part II, we describe and evaluate many of the most popular OD techniques. Many books on OD tiptoe around actual descriptions of the techniques used and rarely give evidence of their validity or lack of validity. OD is more than a set of values; it is also a set of techniques. These techniques are subdivided according to the level toward which the technique is aimed: the individual, the group, and the organization. One selection is devoted to each level, and a comprehensive summary is presented in the final section of Part II. It should be stressed, however, that the scheme is arbitrary and categories overlap. Since groups are aggregates of individuals and organizations are aggregates of individuals and groups, the levels of OD activity are not always conceptually distinct. Some techniques, like management by objectives, can easily be considered both as attempts to increase *individual* performance and as *organizational* control systems. The readings can certainly be treated independently and read in any order suitable for individual needs.

The techniques presented in Part II represent a wide range of interventions, not all of which are considered standard OD strategies. Our inclusion of behavior modification, decentralization, and other nontraditional OD techniques in Part II is intended to demonstrate a wider range of possible interventions than OD consultants sometimes recognize. OD generally considers only the process of personal change and development. Interventions like motivation training and sensitivity training have become standard, while techniques like behavior modification generally lie outside OD. But organizational improvement can stem from changes in people and their environments. The field of OD should be receptive to behavior modification if its effectiveness can be demonstrated, even though its assumptions about human behavior are not consistent with

FIGURE 1
Organization of the Book

PART I	AN OVERVIEW Section A What Is Organization Development? Section B Values and Assumptions of Organization Development Section C The Role of Change Agents
PART II	TECHNIQUES OF ORGANIZATION DEVELOPMENT Section A Changing and Developing Individual Behavior Section B Changing and Developing Group Behavior Section C Changing Organization Structure and Control Systems Section D A Comprehensive Review of the Techniques
PART III	IMPLEMENTATION AND ASSESSMENT OF ORGANIZATION DEVELOPMENT Section A Implementation Section B Assessment
PART IV	THE FUTURE OF ORGANIZATION DEVELOPMENT The Future of Organization Development

traditional OD values. Likewise, older management strategies like decentralization should be evaluated along with newer OD techniques. Changes in organization structure often result in broader and more durable improvement than interpersonal competence training or experiential exercises can bring about. These levers for change should be included as part of the OD repertoire. Otherwise, OD unnecessarily limits the options available to an organization for self-improvement to those strategies that fit its biases.

Part III deals with two very important issues: implementation and assessment. As with any change, there is likely to be some resistance caused by organizational inertia. Our reading selections highlight reasons for success *and* failure in implementation. Too often success stories are told when the failures are more revealing. Even where managers and consultants are jointly committed to an OD venture, implementation must be accomplished carefully. The readings convey theoretical reasons for success and failure, as well as some very practical lessons from the experiences of consultants and managers.

After implementation, the results of OD should be assessed and evaluated. The assessment of OD, however, is too often neglected or poorly performed. Our readings in Section B of Part III show research conducted to evaluate one or more popular OD techniques. Conducting research on OD effectiveness can be difficult because of the lack of control in real-world "experiments." Also, the durability of changes in attitudes and behavior often is not assessed because of the length of time required. These technical problems can be overcome through more careful research designs, use of validated instruments, and appropriate data analysis. Time, money, and research skills are all required, however. The evaluation task is difficult but necessary if OD is to demonstrate proven worth.

Finally, in Part IV we ask the question: What is the future of OD? Is it a passing fad, nourished in the liberal sixties but destined to become obsolete as new social values become molded? Or is the substance of OD strong enough to withstand changing values, as other management techniques have? Answering these questions requires the basic realizations that bureaucracy probably will not die (as Bennis and others have predicted)² and that pressing needs for efficiency will continue to dominate the business world. If OD is to stand the test of time, it will need to adapt and change itself in a number of ways. Our reading points to these changes and the reasons for them.

In conclusion, we view Organization Development as an important and exciting area for managers, consultants, and researchers. OD deserves a more honest appraisal than it has been given in the past. From our observations of OD, organizations, and their management, we feel that a more

²Warren Bennis, *Beyond Bureaucracy* (New York: McGraw-Hill, 1966).

critical stance is necessary. A major requisite for the future prosperity of OD will be management understanding, acceptance, and support. The field of management is progressing beyond the point where a few “war stories” and a slick presentation can gain entry for a consultant. OD must demonstrate a return on investment like any other proposal to management. Although the monetary value of OD is difficult to evaluate, some critical inquiry is essential if progress is to be made toward this objective. The readings in this book are directed toward the critical but fair evaluation of OD. As managers learn to apply critical thinking in their own deliberations about OD, hopefully a more critical assessment will occur within the profession of Organization Development itself.

PART I

AN OVERVIEW

It may appear surprising that many people who practice Organization Development cannot agree on its fundamental definition. In part this is due to the fact that OD is not one technique but is a *range of techniques* applicable to numerous situations whose implementation requires analytical and behavioral skills, a sense of timing, and a scientist's responsibility to implement programs objectively and evaluate the results that occur.

The main objective of the readings in this part is to clarify what OD is and what it is not. The readings do not provide a single definition but convey the diversity of expectations people hold about OD. Multiple ideas about what OD can do often confuse the student and practitioner alike, and so our primary objective is to present these uncertainties at the outset in order to conduct a careful inquiry into OD. Understanding OD requires more, however, than knowing diverse definitions. OD techniques are based on a foundation of values about people and organizations. The value assumptions of OD practitioners influence the actions they take in the pursuit of improved organizational effectiveness. A solid understanding of these values and assumptions and the role of the consultant can prevent OD techniques from obscuring the practical purposes of the intervention.

This overview is divided into three sections. Section A, "What Is Organization Development," defines and describes OD from three perspectives. In the first article, Benjamin B. Tregoe demonstrates the confusion

over definition. Two groups, line managers and trainers, were surveyed about their thinking on OD. Predictably, there were diverse opinions both between groups and within each group. People using OD were doing so for different reasons and did very different things under the OD umbrella. While Tregoe does not dwell on these differences, he does emphasize the importance of a balanced perspective: he urges us to concentrate more on the organization's objectives and less on the methods and techniques used.

Similarly, the second perspective focuses on OD programs in use and determines how well chief executive officers (CEOs) understand the process. Since a basic tenet of OD is to start the intervention process at the top level of the organization, the CEO's support and understanding are important. W. J. Heisler finds, however, that CEOs have only a limited knowledge of OD. While Heisler's sample is small and his data collection methods narrowly defined, he found that methods of initiating OD and evaluating its effects were generally systemless and plagued by numerous problems. Again, however, there was a range of opinions expressed regarding what OD was and how it was to be used.

David G. Bowers sets the stage for the study of OD by describing why it emerged and what it promises. Bowers takes issue with much of the rhetoric of OD, however, and raises serious questions about OD's accomplishments. In the course of describing the positive potential of OD, he identifies what can and has gone wrong. Although Bowers is basically optimistic about OD, his critique sharpens our ideas about the nature of OD and how it should be viewed.

The reader should not be overly distressed to find such an array of ideas about OD, for it is a relatively new field and is still under development. Further, because OD attempts to grapple with the complex interactions between people, tasks, and organizational goals, it stands to reason that this complexity would be reflected in OD's basic definition.

Section B, "Values and Assumptions of Organization Development," provides more direct insight into the basis for an OD approach by reviewing the values, assumptions, and ethical problems inherent in OD. An understanding of these concepts is fundamental to OD, for they shape the philosophy of its use. Understanding OD's attempts to solve organizational problems requires knowledge of the values guiding the behavior of OD practitioners.

Richard E. Walton and Donald P. Warwick describe some of the specific ways that OD values and assumptions are translated into action, raising questions about the ethical dilemmas that result. The potential effects of OD techniques on individuals is just cause for concern. Can a process that is humanistic and that takes a positive view of human behavior really limit personal freedom and growth and create opportunities for irresponsible action? Walton and Warwick contribute to our awareness of the complexity of the OD process with their analysis and pose tough questions about the role of the central actor—the OD practitioner.