

D D I S O N - W E S L E Y O D S E R I E S

Power and Organization Development

*Mobilizing Power to
Implement Change*

Larry E. Greiner
Virginia E. Schein



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Implement Change*

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*We dedicate this book to our children
From Larry to Corinne and Justine
and
From Virginia to Alexander*

Foreword

The Addison-Wesley Series on Organization Development originated in the late 1960s when a number of us recognized that the rapidly growing field of "OD" was not well understood or well defined. We also recognized that there was no one OD philosophy, and hence one could not at that time write a textbook on the theory and practice of OD, but one could make clear what various practitioners were doing under that label. So the original six books by Beckhard, Bennis, Blake and Mouton, Lawrence and Lorsch, Schein, and Walton launched what has since become a continuing enterprise. The essence of this enterprise was to let different authors speak for themselves instead of trying to summarize under one umbrella what was obviously a rapidly growing and highly diverse field.

By 1981 the series included nineteen titles, having added books by Beckhard and Harris, Cohen and Gadon, Davis, Dyer, Galbraith, Hackman and Oldham, Heenan and Perlmutter, Kotter, Lawler, Nadler, Roeber, Schein, and Steele. This proliferation reflected what had happened to the field of OD. It was growing by leaps and bounds, and it was expanding into all kinds of organizational areas and technologies of intervention. By this time many textbooks existed as well that tried to capture the core concepts of the field, but we felt that diversity and innovation were still the more salient aspects of OD today.

The present series is an attempt both to recapture some basics and to honor the growing diversity. So we have begun a series of revisions of some of the original books and have added a set of new authors or old authors with new content. Our hope is to capture the spirit of inquiry and innovation that has always been the hallmark of organization development and to launch with these books a new wave of insights into the forever tricky problem of how to change and improve organizations.

We are grateful that Addison-Wesley has chosen to continue the series and are also grateful to the many reviewers who have helped us and the authors in the preparation of the current series of books.

Cambridge, Massachusetts
New York, New York

Edgar H. Schein
Richard Beckhard

Preface

Our hope is to reach two audiences with this book: primarily, we are addressing the OD practitioners and students of OD, many of whom idealistically espouse a more humane world of work without understanding the political realities involved; but we also speak to the practicing manager who frequently is more comfortable with power and politics while overlooking human potential in contributing to positive outcomes.

For too long, we believe, power and OD have been distinguished as two opposing and contentious approaches to management. Our theme is different: we argue that OD and power can and should integrate themselves better in the implementation of change. Both schools of thought need one another to compensate for the limits of each. Together they can exert a more potent impact in dealing with vital concerns of social adaptation in organizations today and into the future.

The writing of this book has been an enjoyable ordeal. We have few others to thank except ourselves for putting up with petty fights that turned into laughter and insights, or cajoling one another to make deadlines that became cause for relief and celebration. Ed Schein (no relation) gave us the valuable feedback that we expected and needed on an earlier draft; he was tough, correct, and caring. Arvind Bhambri provided research and insight for the Mega Corporation case study. Ronald Festa worked extensively

on the power strategies research. Nancy Benjamin provided invaluable editorial assistance. And our two mates at home performed admirably—Larry's wife, Marta, with understanding and overtime on the copying machine, and Virginia's son, Alexander, with schoolwork and ball games to relieve monotony in front of the computer.

Along the way, we decided to include two original empirical pieces of research that have not been published elsewhere: Virginia Schein's study of managerial power strategies, and Larry Greiner's case analysis of strategic change at the Mega Corporation. We believe these two studies enliven the book and contribute useful knowledge to the literature on power and OD. To the anonymous and sharing participants in these studies, we are deeply grateful.

Palos Verdes, California
Gettysburg, Pennsylvania

L.E.G.
V.E.S.

Power and Organization Development

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1

Reconciling Power with OD

OD and power appear as odd bedfellows in the recent history of management thought and practice. Advocates of OD argue for an enlightenment process, using re-education techniques to free employees from unconscious and destructive forces (the "hidden agenda") existing within organizations and people. By unleashing human potential, OD seeks to create new opportunities and resources never before envisioned by the leaders of impersonal bureaucratic structures.

Competing with this humanistic point of view are the scholars and practitioners of a political view of management. They stress the inevitability of vested-interest groups within organizations fighting over scarce resources. Moreover, individuals are seen as acting from a base of self-interest to pursue positions of control, status, and reward. A process of bargaining and compromise results in winners and losers.

It is little wonder that these two camps have rarely communicated effectively with each other in the past. OD, from its infancy in the late 1950s, became the enemy of the entrenched power structure by pressing it to open up and change. Power enthusiasts, on the other hand, ridiculed OD for adhering to an ide-

alistic and therefore seriously mistaken view of human nature and decision-making in organizations.

If one confronts these two diverse views of organizational life, a paralyzing choice is presented. Does one join with OD and the forces for "good over evil," or does one accept the "real world" and learn to live pragmatically with the imperfections of humans and the inherent limits of organizations?

To choose one point of view over the other can lead to unfortunate consequences for both the humanists and politicians. Mirvis and Berg, in their controversial book *Failures in Organization Development and Change* (1977), chronicle numerous OD efforts that fell by the wayside because of neglect and lack of support by top management. We know one Fortune 100 company that abandoned a major OD program because a senior executive learned on the tennis court about an OD sponsored interracial confrontation meeting in the company. This kind of incident can prompt the power advocates to proclaim gleefully, "I told you so."

Yet the demise of once proud Lehman Brothers points clearly to the destructive forces inherent in power and politics (Auletta, 1986). In that case, the greedy side of self-interest destroyed a successful firm and forced its sale to Shearson-American Express.

Uneasy Coexistence

Recent years have seen gradual movement away from the standoff that the above polarity implies. The birth of matrix organizations signaled a move away from steep pyramids toward decentralized teams of highly skilled and interdependent workers. Powerful leaders of these avant-garde organizations, such as Reuben Mettler of TRW, supported OD as a means for making their organizations work better.

In addition, OD zealots learned to temper their language with talk of the bottom line. Some ODers even made peace with Theory X executives who were willing to back their efforts. Many OD change agents displayed a willingness to utilize techniques that previously had been labeled by OD as authoritarian, such as behavior modification and assessment centers. Still others de-

cided to go underground by disguising OD with new titles, such as "Organization Effectiveness."

These alliances and subterfuges were spawned by an end justifies the means rationale. A few key executives with power recognized that OD, if closely controlled, could be used to achieve business objectives. And OD pragmatists, looking out for their survival, proved willing to listen, compromise, and even conform.

The net result, by the late 1970s in many organizations, was that power and OD had moved into the same house, though often in separate bedrooms. The 1960s brand of revolutionary OD had given way to a new eclecticism. If a new plant could be designed using sociotechnical theory, with team building thrown in, then that was called OD. Or if action research could be used to eliminate a turnover problem, then OD assumed a scientific guise in its administration of questionnaires and the feedback of quantitative data.

Nevertheless, critics of this transition began to ask if OD had lost its soul by selling out to the power elite (Greiner, 1980). In OD's quest for survival, had it forgotten its humanistic origins, only to become the servant of power? More pointedly, had the early advocates of the power school actually won out?

Your Resolution of the Dual Forces

We think it useful to pause at this initial stage in the book to see how you personally may have weathered this historical tug of war between OD and power. Here we suggest that you fill out your responses to the eight questions listed below. It is a forced choice questionnaire, so select the *one* statement in each pair that best represents your preferred approach to introducing change into organizations.

I prefer a change approach that . . .

1. _____ tries to motivate people to change the situation around them.
_____ helps people to adjust better to the situation facing them.

2. _____ emphasizes the need for a total system change from one organizational state to another.
_____ introduces changes that are geared more to making the existing situation work better.
3. _____ provides new value alternatives, such as collaboration, confrontation, etc.
_____ works to solve practical problems facing people in the organization.
4. _____ strives for significant change introduced through a planned program over one to two years.
_____ moves ahead step by step toward gradual change over several years.
5. _____ works closely with lower and middle level employees in helping to improve the organization above and around them.
_____ works closely with top management in helping to improve the organization below them.
6. _____ provides strong leadership to move others toward a plan and method of change.
_____ brings others together so they may develop their ideas into a plan and method of change.
7. _____ seeks better and more effective behavioral relationships between employees.
_____ strives for greater productivity and motivation from employees.
8. _____ helps to bring out the potential in people and organizations to achieve beyond their expectations.
_____ recognizes and accepts the practical limits in available resources within organizations.

Now you can score it yourself. Add up all your first blank checks to get a total score, and then do the same for the second blank checks. The questionnaire is constructed so that the answers next to all of the first blanks take a more revolutionary stance toward change—that is, the goal is large-scale change to advance human values. Answers next to the second blanks speak

more to pragmatism, emphasizing gradualism, short-term results, and attention to the values of those in power.

If your total score is 8 in the first blanks and 0 in the second blanks, you still adhere closely to the original concept of OD as a revolutionary and humanistic force. Conversely, if your score is 8 to 0 in favor of the second blanks, you have probably become a "servant of power." A score somewhere in between represents an accommodation or compromise between both points of view.

When we have given this questionnaire to others, line managers tend to report the highest scores toward power and pragmatism, followed by internal staff people in consulting roles. High scorers in revolutionary approaches and idealism tend to work outside business corporations, acting more as consultants to non-profit organizations, as trainers in public workshops, or as academics in universities.

Letting Go of the Past

Our focus in this book aims for a deeper and more integrated perspective in which OD and power become closely interwoven. Simplistic notions that power only resides at the top, or that lower level employees are powerless, must give way to more contemporary and complex notions of power. The antipower rhetoric of traditional OD, such as Theory X is bad and Theory Y is good, are amusing anachronisms. Such cornerstone ideas of the old OD as *power redistribution* and *bottoms-up change* can prove unworkable in times of industry turmoil and organization crisis.

A more contemporary viewpoint reveals power to be a diffuse and elusive reality in modern organizations, residing perhaps in the R&D department, the labor union, or a disgruntled consumer group. Often, top management is only a vague term for the office of the president or a matrix of leaders spread over the world. Furthermore, the OD group itself may possess more or less power in a rapidly shifting interpretation of what is meant by *human resources management*.

This is not to say that power in organizations has become so diffuse and fleeting that it is irrelevant. Quite the contrary, it is