Session 1

Introduction
Learning Objectives

- To provide a definition of organisation development (OD)
- To distinguish OD and planned change from reactive forms of change management
- To give a brief history of OD
- To introduce key terms in OD such as QWL, TQM, productivity and strategic change
Managing in a Changing Environment

FIGURE 1.1 Managing in a changing environment

Definitions
- Australian context
- Incremental
- Revolutionary

Vision
- Planning and preparation
- Allowing people to let go
- Handling the transition

General introduction to change
- Broad theoretical approaches
- Promoting readiness for change

Understanding change
- Organisation transformation

Key issues
- Sustainability Environment
  - Leadership and vision
  - Interventions
  - Contingency theories
  - Process theories
  - Culture excellence
  - OL vs LO
  - Characteristics
  - LO architecture
  - Process models

Models and frameworks
- Organisational learning
  - Characteristics
  - OD models

Organisation development
- OD interventions
- Action research

Field theory
- Natural part of change
- Strategies for handling resistance
- Alternative views

Resistance
- Cynicism
- Silence

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History of Organizational Development

- Using behavioural science technology, research and theory to change an organisation’s culture
  Warren Burke

- A system-wide process of data collection and analysis. Real development occurs when an organisation works actively with a change agent
  Michael Beer
What Makes OD Unique?

1. OD applies to an entire system
2. OD is based on behavioural science knowledge and practice
3. OD is oriented to improve an organisation’s effectiveness through processes of adaptive development
4. OD creates change and also reinforces it
5. OD encompasses strategy, structure and process changes
6. OD is oriented towards improving organisational effectiveness
OD is Not Just Change

OD involves transferring the knowledge and skills needed to achieve goals and manage change.

The term ‘organisational change’ can be broadly or narrowly focused and is applicable to any type of change, e.g. technical, managerial or social innovation.

- What causes organisations to want or need to change?
What Shapes Organisation Change?

**Globalisation** is changing markets and environments

**Information technology** is changing work and knowledge

**Managerial innovation** is responding to these trends and accelerating their effect on organisations
Increasing Role of OD

Organisations are learning:
• To assess themselves and their environment and revitalise structures and processes

Managers and employees are learning:
• To change the underlying values that govern their behaviour
Laboratory Training

Origin: T-groups
Kurt Lewin’s research: unstructured group in which participants learn from their own interactions and evolving dynamics about such issues as interpersonal relations, personal growth, leadership and group dynamics

Now: Team Building
T-group style development expanded into business and industry
Action Research/Survey Feedback

Origin
Researchers John Collier, Kurt Lewin and William Whyte found that research must be closely linked to action to be useful in managing change.

Now
OD practitioners now use action research cycles and surveys to help gather information about an issue or problem before a change process starts.
Participative Management

Origin

Likert found that participative management was the most effective way to make change happen. He identified four systems:

1. Exploitative authoritative systems (autocratic; top-down)
2. Benevolent authoritative systems (paternalistic)
3. Consultative systems (workers involved; management decides)
4. Participative systems (managers and staff involved in all levels of decision making)

Now

Debates about levels of staff involvement in managing change
Productivity and QWL

Origin

Eric Trist examined the technical and human sides of organisations and how they interrelate. Aimed at improving productivity AND quality of workers’ lives: an early example of win-win.

Now

Strongly aligned to TQM developed by Deming and Duran and pioneered by Toyota, Ericsson and Sheraton.
Strategic Change

Origin

Beckhard was one of the first to use strategic thinking to align both the organisation’s relationship to its environment and the fit between its technical, political and cultural systems.

Now

A competitive OD strategy involves the whole organisation and is multi-levelled: might include finance and marketing, as well as using team building, action research and survey feedback.
Summary

• As organisations and their surrounding economy become more complex and uncertain, the scale and intricacy of organisational change has increased
• Organisational change is a fact of life
• Organisation development takes it to the next level by planning the approach to change using behavioural science
• This helps organisations to become more effective