

THE EVOLVING FIELD OF OD

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Abstract

The authors outline the origin and trace the changing paradigms of Organization Development (OD). The paper traces the evolution of OD using a four-quadrant framework, and in the process examines the various concepts and theories from the early 1900's till date. The authors also explore the relationship between OD and organizational change and conclude with some thoughts on the emerging directions.

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Introduction

The concept of organization and organisation development(OD) is not new. OD as an area appears to have been developed much in the early 1900. As the organizations started to evolve, and undergo changes, it became imperative for

even the OD interventions to take new shape. Because organizations are complex social systems, OD uses theories, perspectives and insights from several social sciences, including: anthropology, economics, political science, psychology, and sociology. A number of developments

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in the behavioural sciences directly and indirectly have contributed to the evolution and growth of OD as a field. The authors in this article make an attempt to trace the evolution, growth and the future possibilities for the field of OD.

The term “Organization Development” was first coined in the literature in 1969, by Beckhard who termed it as an effort planned, organization-wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization’s ‘processes,’ using behavioral-science knowledge.

French and Bell, defined OD as a long-term effort, led and supported by top management, to improve an organization’s visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization culture—with special emphasis on the culture of intact work teams and other team configurations—using the consultant-facilitator role and the theory and technology of applied behavioral science, including action research. [1]

Emergence of OD

According to Cummings and Worley [6], OD emerged from four major backgrounds which are the 1) Laboratory trainings which was developed by Kurt Lewin, to help the employees react to information about their own behaviour; 2) Survey research feedback, which was formed by Kurt Lewin; 3) Action research by John Collier, Kurt Lewin, and William Whyte who discovered in 1940 that research needs to be closely linked to action if organizational members were to use it to manage change; 4) Productivity and Quality-of-Work –Life (QWL), which got developed in 1950’s and it examined both the technical and the human sides of organizations and how they are interrelated.

Phase I: Early stages of OD

1911: Scientific Management Movement:

Frederick Winslow Taylor talked about Scientific Management movement emphasizing time and motion studies and breaking jobs into small repetitive tasks in an attempt to find the one best way to do each job. To increase the motivation and to prevent soldiering and slacking off, piece rate pay systems were designed. [2]

1922: New form of administration - Bureaucracy:

Bureaucracy as defined by Max Weber was considered as the best and the most efficient way to organize people. During this period, it was considered that to create a well-organized company, strong hierarchy, rules, procedures, division of labour is a must. [3]

In the early 1900’s scientific management was identified as the best way to organize work and bureaucracy as the best way to organize people. These were the prevailing paradigms for organizations.

1927-1932: Affect of social factors - Hawthorne Studies:

These years saw the effect of social factors on productivity and morale. Hawthorne plant of Western Electric Company conducted the Hawthorne studies. It was considered that people came as a whole to the company with feelings and attitudes about the work and work environment. From the studies, it was concluded that simple repetitive work left the employees dispirited and concluded that group norms had more powerful effect on productivity than incentives. [4]

1938: Social Systems Perspective:

Chester I. Barnard viewed organizations as social systems and proposed that authority derives from the willingness of subordinates to comply with directions rather than from positive power. [5]

1939: Democratic Leadership:

As the organization kept on evolving and changing, Lewin, Lippitt, and White demonstrated that democratic leadership was superior to authoritarian leadership in affecting the group climate and performance. It was found out that democratic leadership brings out the best in the groups while authoritarian leadership causes dependency, apathy, aggressiveness and poor performance. [6]

1940-48: Action Research & Survey Feedback:

Action research started in the 1940s with applied studies by John Collier, Lewin and his colleagues, and William Whyte and Edith Hamilton. They showed that research could be used in the service of organization improvement if it was closely tied to action. Action research is highly collaborative, involving both OD practitioners and organization members.

Survey feedback also started in the 1940s and has become a major component of most company-wide OD interventions. It involves systematically collecting survey data about the organization and feeding them back to members so they can discover sources of problems and devise relevant solutions. Based on the work of Rensis Likert, Floyd Mann, and their colleagues, survey feedback resulted in a variety of instruments for assessing member attitudes towards organizations. [7]

1946-47: Laboratory Training:

Laboratory trainings or "T" Trainings were introduced by Kurt Lewin, Kenneth Benne, Leland Bradford, Ronald Lippitt to improve interpersonal relations, increase self-understanding, and understand group dynamics. [8]

Phase II: Mid-Stages of OD

The mid-stages OD advocated participative management, greater

attention to workers, social needs, training in interpersonal skills for supervisors, and a general "humanizing" of the workplace.

1951: Client Centered Therapy:

Carl Rogers," in his Client Centred Therapy", demonstrated the efficacy of non-directed psychotherapy, which holds that individuals have within themselves the capacity to assume responsibility for their behaviour and mental health when provided with supportive caring climate. [9]

Socio-Technical Systems:

In 1950's organizations were more looked into, as socio-technical systems stating that the organizations are comprised of a social as well as of a technical system and that changes in one system will affect the other. Work design is actually an application of socio-technical systems principles to humanize the work. This concept was introduced by Eric Trist and Ken Bamforth [10]

1954: Motivation and Personality:

Abraham Maslow proposed that human motivation is dependent on hierarchy of needs from lower level needs such as physiological and survival needs to higher level needs such as esteem and self-actualization. He postulated that when the lower level needs are satisfied, higher level will become dominant. [11]

Job enrichment:

Frederick Herzberg developed the concept of Job enrichment which is an attempt to motivate employees by giving them more responsibilities and challenges. This is in contrast to job enlargement which is essentially more work of the same level/complexity.

1957: Conflict between needs of organization and self-needs:

Chris Argyris found out that there is an inherent conflict between the needs of the

organization and the needs of mature, healthy adults. And the organization should work towards resolving or balancing between the two needs. [12]

1960: Individual motivation theory and its impact on organization:

In 1960, Douglas McGregor came up with the Theory X and Theory Y concept which states that those who subscribe to theory X assume that people are lazy, lack ambition, dislike responsibility, are self centered, resist change and need to be led. Those who subscribe to Theory Y assume that people have the potential to develop, to assume responsibility, and to pursue organizational goals if given a chance and environment to do so. [13]

Phase III: Present Stages of OD

1961: Mechanistic and Organic Structure:

Burns and Stalker stated a clear demarcation between the two kinds or forms of organization mechanistic and organic, and also when each one of them is appropriate. He stated that in an environment of slow change, a mechanistic organization structure is appropriate but in an environment of high change an organic form is preferred. [14]

New Patterns of Management:

In his “New Patterns of Management”, Rensis Likert presented data and theory, which showed superiority of a democratic leadership style, in which the leader is group oriented, goal oriented, and shares decision making with the work group. [15]

Systems thinking:

One of the major breakthroughs in understanding the complex world of organizations is the field of systems theory. The field studies systems from the perspective of the whole system, its various subsystems and the recurring patterns in the relationships between the subsystems.

Systems theory has greatly influenced how we understand and change organizations.

1964: Managerial Grid Model:

Robert Blake came up with the Managerial Grid model to understand management in terms of relations and leadership style.

1970: Dr. Demings Philosophy:

Dr. W. Edwards Deming stated that the key for successful organization development is to practice continual improvement and think of manufacturing as a system, not as bits and pieces.

Formula for Change:

Richard Beckhard along with David Gleicher, came up with a Formula for Change, which proposes that the combination of organizational dissatisfaction, vision for the future and the possibility of immediate, tactical action must be stronger than the resistance within the organisation in order for meaningful change to occur.

1981: 7 S model for organization

Based on their dedicated work with McKinsey, Richard Pascale and Anthony Athos came up with the 7 S strategy, a leading model in 1980’s which takes into account all the seven factors for the successful implementation of a strategy shown in Figure 1. [16]



Figure 1 : 7 S strategies

1990: New paradigm in terms of organizational learning:

Peter Senge came up with five disciplines and about the concept of learning organization. He defined learning organization as the organization in which groups of people continually enhance their capacity to create what they want to create. He postulated five disciplines personal mastery, mental models, building shared vision, team learning and systems thinking. [17]

A tool to elevate efficiency - Business process reengineering:

Business process reengineering is a management tool to improve the efficiency and effectiveness of the processes existing within the organization. Here the organizations start looking at the process from a clean state perspective and then start building on it the processes in order to improve the way of conducting business.

1992: The Balance Scorecard Approach:

Robert S Kaplan and David P. Norton introduced the Balance Scorecard approach which analyses whether the operational activities of a company are in alignment with the objectives in terms of vision and strategy. This looks into four major dimensions, the financial perspective, the customer perspective, internal processes and learning and growth.

1997: Shift from the organization - The Individualized Corporation

Sumantra Ghoshal brought out a new aspect of philosophy in his book, The Individualized Corporation, which explores the collapse of an outdated corporate form and states that organizations should focus on the power of the individual as the driver of value creation in the company, and the importance of the individual in management. [18]

a. Sustenance of relationships across geographies – Virtual Organization:

A virtual organization makes use of the telecommunication tools to enable, maintain and sustain relationship across geographies or in distributed work environments. This results in a cost effective method of communication.

2004: Culture and its importance:

The last few thoughts of Edgar Schein identifies three distinct levels in organizational cultures; artifacts and behaviours, espoused values and assumptions. He states that culture is one of the most important factor to change in an organization.

2005: Level playing field

Thomas L. Friedman, came up with the concept of “World is flat” which analyses the progress of globalization with an emphasis on the 21st century. Here, world is flat means that the market place is flat in terms of commerce and competition, as in a level playing field. All the competitors have equal opportunity. [19]

Process consultation approach:

Process consultation as developed by Edgar H.Schein at MIT, focusses on the interaction between the consultant and client. This approach helps to develop a shared understanding and meaning about specific challenges and resources as the consultant and client start working together.



Figure 2

Evolution of OD – a Framework

Over the last century, OD has evolved a complex and diverse body of knowledge and practice. Consolidating the theories and practices, OD interventions can be seen under four major quadrants, social process interventions, work environment interventions, HR related interventions and structural interventions. Figure 2 shows a few major interventions in each of these four quadrants.

Rationale behind analysis of OD thought process

The technological innovations, company mergers, acquisitions, leveraged buyouts, bankruptcies, success stories, downsizings, and changes in law have intensified. Along with this globalization has also resulted in creating opportunities in applying more OD applications. These ever changing aspects of organizations, led to the OD interventions also to evolve. Figure 3 shows the major change in the focus of OD interventions with the focus moving on from ownership/management to encompass the employees and from there on the customers and suppliers also.

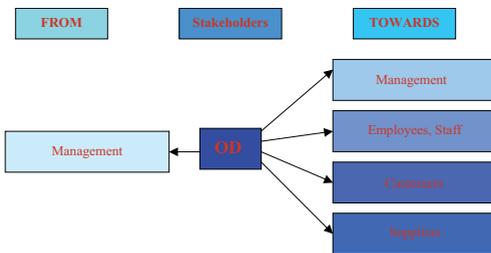


Figure 3: Change in stakeholders

Organizational change - a subset of OD:

Change in the environment is occurring at an increasingly rapid pace. The elements which will drive the future will change so much that plans made today will no longer be applicable before they can be implemented [20]. Organizational change is a subset of OD. OD addresses an entire system, such as team, department, or total organization. To enable the OD

interventions, change becomes very important and thus it can be referred to as the action part of OD. Change at one level of the organization—individual member, work team, or total organization—can affect other levels. Change in one part or design feature of the organization, such as a reward system, work design, or organization structure, can require supporting changes in other parts.

Future generation OD- some perspectives

Organizations of the present day are evolving on a continuous basis. The population is becoming more and more diverse. The ability to work with diverse groups and also to mediate conflict is becoming more important. All forms of diversity are to be made integral to planning and implementing change [20]

Saul Eisen stated that the core of new corporations will be relatively small groups and if these groups are not critical to the mission of the organization, the work will tend to be outsourced, contracted or dumped. Because of this design change, consequently, professional service organizations would continue to grow in order to meet the needs of these companies while independent consultants, work-from-home professionals, casual labor would become even more prevalent. [20]

Unrelenting shareholder demands for profitability, at any cost; increased pressure of institutional investors on markets are making it mandatory for the business to focus on bottom line and shareholder value [20].

The reliance on virtual teams is increasing rapidly which are supported by high-speed and wireless communication technologies [20].

The future generation of OD is dependent on all the above situations. As the organizations evolve, it becomes mandatory for OD interventions also to take new shape.

Saul Eisen in his article, 'Future OD Practices and Practitioner Competencies;

Outcomes of a Delphi', stated the below competencies that are required by the HR professionals to cope with the emerging trends [20]:

- Ability to adapt to each unique cultural situation in applying our knowledge, skills, and strategies.
- Awareness and acumen in business and finance, in addition to process skills.
- Understanding of the challenges of managing knowledge in an information-rich, fast-changing organizational environment

The individual in the organization is slowly coming around to a kind of self-direction, projecting perceptions of the self in ways that can link directly with expected organizational or departmental outcomes; thereby reducing expressed resistances to changes in organizations. Yet, organizations are unlikely to survive in the

long-term, if individual self-regulation in corporate governance is wedded to a narrow, selfish commerce of the organization's performance objectives. Legendary organizations are no more on the list of wealth creators, and the managerial challenges of lesser willed organizations are at once manifold – in the organization of learning, management of change and in the institution of quality oriented processes. Hence the challenge for creating a facilitative transitory organization mode becomes not merely essential but also quite challenging for desired individual and organizational capability building. Consider OD then, as a psychology of self-governance at the organizational level, and at the individual level.

The future of OD lies in being able to address the concerns of all the stakeholders involved. To the editorial team this represents both the evolution of OD and the challenge it faces going forward, at the organizational and individual level.

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