Making Sense of Organisational Development

A guide to understanding the role of OD in the workplace

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enlightening people

Contents

About Roffey Park

Based in Horsham, West Sussex, Roffey Park helps people and organisations to develop and succeed, particularly in the areas of organisational development, human resources, leadership, people management and personal effectiveness.

As one of the UK's longest established executive education providers, it continually updates its expertise through research in these chosen fields and it provides bespoke development solutions and consultancy, open and qualification programmes and a wide range of conferences and seminars.

For more information about Roffey Park, please visit: www.roffeypark.com

Guiding you through the OD maze

Many organisational change initiatives have ended in failure and disappointment.
Involving employees from all levels of the organisation - to co-create a vision of the future
and to manage the change process - is proving an effective remedy. This is the basis of
organisational development (OD).

OD is now a significant and influential field of practice. In this guide, we'll aim to answer
some of the essential questions about what it is, how it works and what it does.

Roffey Park has strong credentials in organisational development. Our two-year masters
programme in People and Organisational Development is renowned as Europe's leading
OD qualification. We also run a modular open programme for OD practitioners - as well as
dedicated OD conferences and workshops and other open programmes on key skills such as HR
business partnering, consultancy and facilitation. On top of this, we undertake research into
OD-related issues. This means that our consultants and practitioners are skilled in a wide range
of organisational development techniques including large group interventions and Appreciative Inquiry.

Should you be interested in OD? Well, does your organisation want sustainable change?
Do you want a workforce that feels committed to the change and has a real stake in it?
Are you looking for collaboration, trust, shared values and adaptability? We believe an
OD approach will help.

Andy Smith
Director of Roffey Park's
MSc in People & Organisational
Development and the Interpersonal
Relationships in Organisations programme

What is Organisational Development?

Organisational Development is a planned, holistic approach to improving organisational effectiveness - one that aligns strategy, people and processes. Fundamentally it releases the talents and vitality of people in organisations.

OD is used to resolve diverse issues such as implementing cultural change, determining the mission and values, introducing new systems or processes and enhancing leadership and employee morale.

It is informed by a set of humanistic values and beliefs about the potential of people and organisations to develop and grow; it involves change through people and improvements to build future capability; it is concerned with the health and well-being of people at work and it is rooted in a sound theoretical and research base.

Is it another fad?

To achieve the desired goals of high performance and competitive advantage, organisations have often resorted to radical change. Yet in many cases, the resultant change initiatives have failed to deliver the promised potential. With hindsight, some - such as total quality management and business process reengineering - have been dismissed as management fads. The stumbling block with these initiatives is that the inspirational vision for the organisation gets created by a few and then thrust upon the many. OD is a democratic, collaborative process, so this restriction doesn't apply.

Dealing with performance and people issues is never easy but when you involve a representative internal group of credible individuals, who are using the right tools, sharing expertise and making interventions based on valid research, you can truly enhance organisational effectiveness. An added benefit is that the process provides enormous learning for those involved and they also develop a far greater capacity to solve business problems.

How does OD work?

The OD process brings together individuals, who are stakeholders in the given issue, into an internal change group; they then map out the scope of a project, collect data, think through a solution and coordinate its implementation. The emphasis is on self-help, learning and building the internal capability of the organisation.

One of the most widely-used models to help understand the elements in OD practice is the Burke-Litwin model (below).

This gives clues to all the different types of OD interventions. It also shows the interrelationships between different aspects of the organisational system and how individual performance relates to the organisation as a whole. The skill is to identify and to work in the areas where there is likely to be most leverage.

The need for data

Effective diagnosis is a key aspect of OD and this demands good data, from all levels of the organisation. In collecting this data, it is best to involve people from within the system. The process of involving them is just as important as the data itself in bringing about change.

The role of the OD practitioner is to help identify what data needs to be collected, how, and by whom. It is then to respond to the issues that emerge and to ensure that those who are critical to success of the change - the staff - remain actively involved.
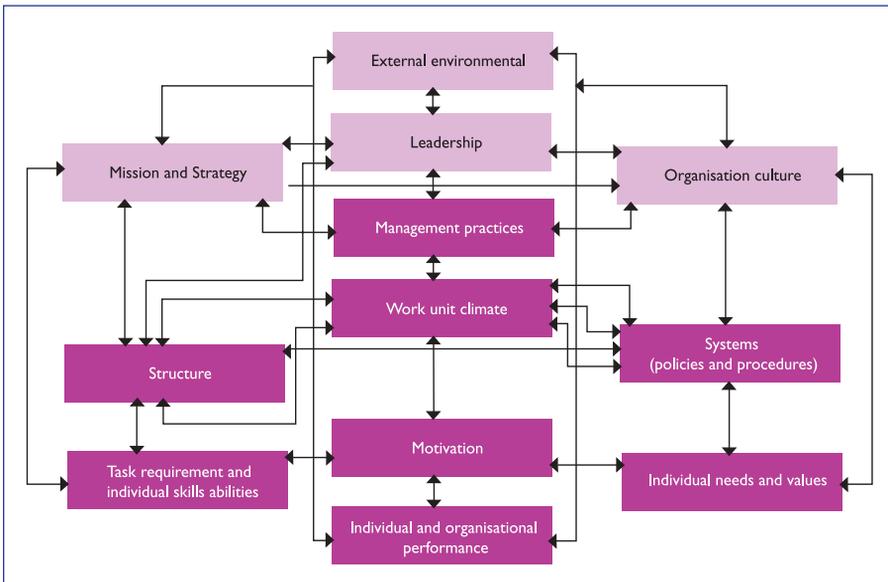
Burke-Litwin Model, 1989

Who does it?

Many OD practitioners come through the HR route. However as organisations strive to build capacity and implement successful change, a new cadre of OD professionals is emerging, including managers from a range of functions such as finance, production, operations and IT. Their impact is becoming increasingly evident.

Sometimes OD practitioners will draw together teams from within the business, with people selected for their operational (rather than OD) skills and their commitment to improving the organisation. They may call on specialists to balance their technical knowledge, in order to gain a deeper awareness of the human responses to change and transformation in the organisation.

Increasingly, organisations are using large-scale change processes, where the whole organisation gets together at one time, and everyone is involved in creating and agreeing change decisions. These latest developments reflect values central to OD practice: engagement, participation and democracy.

Wherever the OD role lives, it is clearly a strategic function, and - as such - needs to be positioned where it is best able to influence across the whole organisation. The OD role possesses most leverage when senior leaders see it as critical to business success and strategy and the OD practitioners themselves have high credibility and influence with these stakeholders. This enables them to intervene in complex process issues.

A short history of OD

At the turn of the century, scientific management portrayed work as a mechanistic and rational process. Then with research such as the Hawthorne experiments, came increasing awareness that organisations are not the rational places people had assumed. In fact the world of work was far more 'messy'. Organisational effectiveness was influenced by relationships, people's social needs and motivations and the dynamics of work groups.

This understanding of the importance of the human 'process' that lies beneath the 'content' of work grew from the 1940s onwards with the research findings of people such as Lewin, and Trist and Banforth. They laid the foundation for the personal development programmes and teambuilding events that remain part of OD practice today.

Increasingly organisations became viewed as two independent, yet interdependent systems: the technical and the social. Understanding these interdependencies within the 'work system' is critical to successful organisational development. Put simply, if you change a business process or technology, there will be effects elsewhere in the system that need to be considered, for example the skills and motivations of people operating those new processes.

The term 'organisation development' was first coined in the 1950s by McGregor and Beckhard who introduced new team structures which promoted higher levels of upward decision making.

In the 60s, the field of OD continued to be influenced by practitioners and academics from the US. Much of their thinking is now mainstream, for example change (Lewin), motivation (Maslow/Herzberg) and learning (Knowles). More recently new approaches such as Real-Time Strategic Change (Jacobs) and Appreciative Inquiry (Cooperider) have come to the fore with an emphasis on finding new ways of engaging more people in the changes faced by their organisations through dialogue and conversation.

Learning OD

OD practitioners face considerable challenges when trying to influence change. These include operating within the micro-political climate in the workplace; a lack of resources, including time and money; organisational bureaucracy/red tape and a lack of senior-level support for the OD role.

Some practitioners also say that the OD role is poorly defined in their organisation. Others feel they lack the authority to undertake OD assignments or they lack the skills or knowledge about OD techniques.

To overcome these challenges, organisational development practitioners require a range of skills and attributes. At their heart, are 'soft' skills in facilitation, influencing and consulting. These will be coupled with expertise in areas such as organisational design and 'systems thinking'.

Practitioners also need:

- A firm commitment to the organisational self-help approach and the ability to act as a change agent.

- Strong interpersonal skills, relationship building skills and humanistic values.

- Business and strategic awareness and a macro perspective.

- An understanding of human processes such as trust, dependency and ethics.

- A knowledge of OD/intervention tools.

- A true appreciation of the value of data and enquiry.

- A high degree of self-knowledge and a recognition of the importance of their feelings/emotions.

- An aptitude for encouraging experimentation and resolving conflict.

- An awareness of the value of giving people the freedom to choose rather than coercing them by exercising authority.

- Internal credibility and an understanding of the 'politics' of how the organisation works.

Just as important is the mindset of practitioners and the extent to which they are able to commit to the central values of OD and reflect on their own practice. The most purposeful, effective practitioners live and breathe these values through every intervention they make.

All of these skills and attributes can be learned on Roffey Park's OD practitioner programmes. Networks, co-consulting, mentoring and working alongside external experts are other options.

A-Z of OD terms and concepts

A is for **Appreciative Inquiry**
Often regarded as the most important and influential development in OD over the past 20 years, AI is the art and practice of asking questions that focus on strengths, capabilities, and the positive potential of an organisation. With the assumption that our reality is socially constructed, AI takes people through a 4 framework model - Discovery; Dream; Design; Destiny to co-create a future.

B is for **Burke-Litwin Model**
The model shows the organisation as a system and gives OD practitioners insight into the areas of focus for their work. As a diagnostic tool, the model can help in determining points of intervention for data gathering, and levers for change. The model makes it clear that we cannot consider our impact in one part of the organisation without recognising how that will affect another.

C is for **Culture**
Culture is most easily defined as 'the way we do things around here', the work of Schein and others shows us that culture is rooted in our (often unconscious) assumptions about how the world works which then become visible through our behaviours. Trying to shift culture in the service of change is one of the main, and most challenging, tasks of the OD practitioner.

C is for **Consultant**
Without traditional sources of organisational power such as resources or position, the consultant's currency is influence. Operating outside the 'client system', the OD consultant's primary goal is to build a collaborative relationship with their clients and work with them in ways that will transfer the capability for problem solving into the ownership of the client. Using their expertise in areas like change, facilitation, organisation design, the consultant structures activities which help clients to understand and learn about their problems in new ways. The ultimate aim is to leave the client system healthier and more capable.

C is for **Conversation**
Conversation is where change often takes place. Many contemporary writers (see Patricia Shaw) believe that stimulating conversation is one of the most useful ways of creating new thinking since it's through this process that we reframe our views of the world. Considering change from this perspective owes much more to an 'emergent' paradigm, than the traditional planned approach.

D is for **Data**
No data, no intervention is a basic tenet of OD work. Data about the organisation, what's working and what's not, will determine how, when and why OD interventions get made. And OD principles suggest to us that involvement in data collection by those most affected by the change is the most likely way of getting useful data, and of encouraging early participation. Methods of data collection can include approaches as varied as quantitative survey instruments, and highly participative future search conferences.

E is for Emergence
An 'emergent' approach to change often seems, to many people, more representative of real world experience than the rational, deterministic models of the past. Drawing influences from the fields of chaos and complexity, emergence suggests to us that change is inherently unmanageable, and that as agents of change we cannot hope to control outcomes. What we can do is to create conditions for change, 'light many small fires', stimulate conversation and trust the processes we use to deliver the results we need.

F is for Facilitator
A person who has the role of helping others agree shared outcomes and a process for achieving them. Facilitation skills are key skills for the OD practitioner. The skilled facilitator will demonstrate core skills such as listening, questioning and feedback and have a range of techniques for encouraging participation and handling conflict and group dynamics.

G is for Graphic Facilitation
Graphic Facilitation is an interactive style of leading groups using large-scale imagery and displays. Developed by a network of US consultants in the 1970's, it has come to embrace a wide range of principles and practices that use creative media to help people to "see what they mean." Over the years it has evolved to include influences from more psychologically influenced facilitation, storytelling, large scale collaborative practice and other approaches to managing group process. (adapted from the Grove website www.grove.com, leaders in this approach)

H is for Hawthorne Experiments
These experiments led to a fundamental shift in understanding the human dynamics at play in the workplace. Through the experiments conducted by Mayo at the Hawthorne works of the General Electrical Company during the 1920's researchers discovered, for the first time, that productivity was affected by social factors within the work group. Up till this point the theory of 'scientific management' had prevailed, but it now became clear that the workplace performs a social function, and that people work for more than just economic self-interest.

I is for Intervention
What is an intervention? The first meeting with a client, an interview with a middle manager about their working environment, running a focus group to establish development needs, putting out a climate survey, facilitating a top-team awayday. Whenever an OD consultant intervenes, something happens. Even just knowing you are in the building, meeting a senior manager, can create some sense of expectation or curiosity amongst the workforce. We need to be aware of this, and be mindful of the impact we can make.

J is for Jacobs
Author of the idea of real time strategic change, a methodology for achieving whole system change. It is one of a group of such methodologies referred to as Large Group Interventions. The approach requires people to share dissatisfaction with the present state; co-create an aspirational future state and work together to implement the changes required.

K is for Knowledge
"If we only knew what we know!". Knowledge capture, knowledge management, knowledge sharing became the holy grail of organisations during the 90s. Whilst numerous technological solutions developed, the work of people like Lave and Wenger taught us that knowledge is created through social interactions. The concept of 'communities of practice' as equitable sites of knowledge sharing grew from this work, and have been promoted by many large organisations.

L is for Learning

Learning, at the individual and organisational level, is at the heart of change. Understanding how this happens is a core part of OD practitioner development. The work of Kolb on experiential learning, Knowles on adult learning, and Argyris on organisational learning have strongly influenced training and development design and practice. Models such as Self Managed Learning and Action Learning provide ways of working with real work issues, with the learner, rather than the 'teacher', driving the agenda.

L is for Lewin

"There is nothing so practical as a good theory", said Kurt Lewin, one of the most influential social psychologists of the early 20th century. From his pioneering work in action research, the development of the T-group, and concept of 'freeze/unfreeze' in the change process, Lewin contributed many of the foundational elements of OD. All of this work was driven by strong values of democracy and justice – core to OD practice since.

M is for Motivation

The link between individual motivation and organisational performance is well established. Fundamental to the work of the OD practitioner is to help create a climate where high levels of personal motivation prevail. The work of Maslow, Herzberg and others has been central to our understanding of the motivational factors that drive human performance, and we also know how simple changes to management style can impact individual motivation. For all of the complex approaches that exist, we believe there is no substitute for basic communication – listening, questioning, and good quality dialogue – in understanding how to get the best out of people at work.

N is for Narrative

Organisations are increasingly recognising the power stories hold in creating our common view of work life. We know that all communities have their legends, stories of trials, battles, heroes, and great events. Workplaces are no different. OD practitioners can harness this innate sense-making to help in developing leadership, building visions of the future, capturing what's important and valuable to protect as the business changes. Working with our need to share personal stories is central to OD approaches such as Appreciative Inquiry.

O is for Organisation

Organisations at their simplest bring people, objectives and structures together. The central goal of OD is to help make these places as healthy and functioning as possible, drawing upon and applying what we know from the behavioural sciences. OD practices focus on the social, and the technical aspects of organisational life, developing capability within individuals from the organisation to assume responsibility of change.

O is for Open Space

Based upon the thinking of Harrison Owen, 'Open Space' brings together chaos and structure in a simple, yet powerful approach to resolving live issues. With a framework of core principles, open space meetings ensure involvement and participation and focus on responsibility for action. Where problems are complex, stakeholder groups multiple and diverse, and resources limited, Open Space provides an energising and different way of getting results.

P is for Process

By process we mean the how rather than the what. In quality approaches, process refers to the step-by-step process for producing a certain output. Our notion of process is about organisational and group dynamics. How relationships are affected by emotions and the unsaid. Between people much of the action at a process level is at the non-verbal level. In organisations process can refer to the unconscious norms that shape how it operates. Skilled OD practitioners will be comfortable with all these different ways of seeing process. They will be particularly sensitive to underlying meanings at a process level and part of their skill will be in surfacing these issues.

P is for Politics

The way people in organisations use power for influence and control in pursuit of their own interests. Most often such power is exercised through relationships and informal networks. It increases at times of change and uncertainty. Micropolitics are a key concern of the OD practitioner.


Q is for Quality

The quality movement, led by Deming, has become an industry in itself. Many of the methods employed – quality circles, self-directed work teams – were influenced by early human relations research. The challenge today for many OD professionals is to harness the value of quality tools such as Six-Sigma in ways which rebalance an emphasis on the social and psychological elements of work.

R is for Resistance

Understanding and working with resistance and resistors is key to managing change. A successful change strategy will seek to understand both the forces for change and those working against. Lewins' model on force field analysis proves a useful diagnostic of these opposing forces. If the OD practitioner cannot work with and influence resistors, change can be driven through but will not be sustainable or owned by those responsible for its long term implementation.
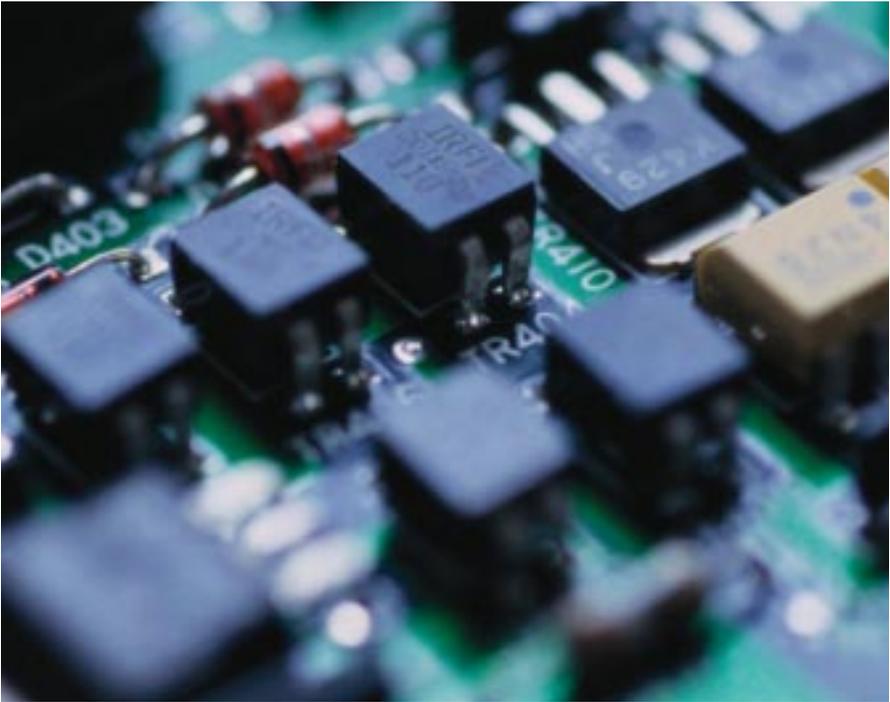
S is for Systems Thinking
Systems thinking helps us to understand the interconnectedness and complexity of organisations, rather than using traditional, linear 'cause and effect' approaches. It's useful in OD for helping us understand how changing one part of an organisation will impact upon another. Understanding, and working with, these feedback loops gives us better results in the change process. Senge's 'Fifth Discipline' brought the principles of systems thinking to a new, broader audience.

T is for Tavistock
The Tavistock Institute of Human Relations have pioneered work in organisational and group dynamics drawing heavily on psychoanalytical theory. They are perhaps best known for their 2 week group relations conference, Authority, Leadership and Organisation. This seeks to promote understanding of conscious and unconscious processes in human systems Participants learn in the here and now about issues of leadership, culture, power, organisational and group dynamics.

U is for Unconscious
The behaviour of people, groups and organisations is directed by unconscious (instinctual, primeval and emotional) desires as well as conscious and rational processes. The OD practitioner interested in the unconscious may draw on psychoanalytical theory to understand what is happening (for example, the work of Bion in explaining unconscious group processes of confusion, dependence, fight/flight, pairing and maturity). They will be concerned with issues of anxiety, fantasy, inter-group rivalry, power and authority in organisations. They will offer interpretations to bring these unconscious processes to the client's attention.

V **is for Vision !**
If 'Mission' speaks to the head, 'Vision' speaks to the heart. Helping organisations to create a strong vision is often a starting point in the OD practitioner's work and of primary importance in drawing people towards the future. The history of OD work shows us that the most powerful visions are owned at all levels, and don't just come from the top. As such, OD practice draws upon approaches such as Appreciative Inquiry to engage people in a collaborative visioning process where the end result has collective meaning. As is often the case, the journey of working together towards a shared vision is often more important than the end result!

W **is for Work Groups**
How groups develop and become productive, the dynamics of group behaviour, and how to facilitate groups to improve their performance forms the basis of much OD work. Theorists like Bion have contributed to our understanding of what happens when people are brought together in groups.

X **is for Theory X**
Popularised by McGregor who argued that the management style of an organisation was based on fundamental assumptions about human nature. Those who went for theory X believed that people were inherently lazy, need to be controlled and coerced at work, avoid personal responsibility and opportunities for stretch and are only concerned with their own safety and security needs. Many traditional organisations are seen as resting on these assumptions.

Y **is for Theory Y**
The opposite set of assumptions popularised by McGregor that people enjoy work, can be self-directed in pursuit of agreed objectives, accept and seek responsibility and have a capacity for solving organisational problems when provided with the right organisational environment. These values clearly inform the practice of OD.

Z **is for Theory Z**
Ouchi outlined the characteristics of a theory Z organisation, more Japanese than American in style. The characteristics of such an organisation was its offer of long term employment, participative decision making processes, company specific skills and its broad concern for employees and working relationships.

Lessons from OD in practice

Unleashing possibilities at Shell

Gordon Sinclair was Organisation Development Manager at Shell for ten years. He was involved in OD projects covering major organisational changes and others designed to consolidate change or maintain organisational effectiveness.

"For OD projects at Shell, we'd create internal cross-functional project teams and add external consultants and niche OD specialists," he said. "We'd then directly engage with large groups of staff as part of the process. People are more committed to those things that they are involved in making happen."

One consequence of this is that while the OD process raises energy for change, it also raises expectations.

"You can't just go through the motions with people," said Gordon Sinclair. "It's no good having a highly participative and engaging session to diagnose a problem if you're not going to involve people in the solution. You have to commit to using a genuinely self managing process where people are empowered not only to plan and design the change but to see it through."

Making change happen at the BBC

The widespread benefits of organisational development are illustrated in a major change initiative which the BBC launched in 2002, to engender a 'culture of positivity' among its employees.

Multi-disciplinary project teams - headed by Susan Spindler, previously a BBC Controller - were asked to come up with a five-year plan for the corporation. This was developed through a staff consultation format, entitled Just Imagine - an adaptation of an OD technique called Appreciative Inquiry, which focuses on the positive aspects of the organisation, not the negative.

210 consultation events were held worldwide,

over six months, and 10,000 staff volunteered to take part - making this the world's largest Appreciative Inquiry exercise.

"For many staff, the Just Imagine events rekindled their emotional connection with the BBC," said Susan Spindler. "The well of self interest within an organisation, once you uncover it, is staggering. We addressed the local needs of each division but at the same time we also developed a five-year vision of change for the organisation."

98,000 suggestions from the events were distilled into 15,000 ideas which then became 45 key points for change. These were communicated back via an interactive event in which 17,000 staff took part. The BBC is now implementing the recommendations.

"Culture change is an enormously political act as well as a communications challenge," said Susan Spindler. "The role of the project leader is to be the catalyst. You have to be able to read the runes and understand the politics involved. It helps to ensure that the most powerful figures in the organisation are visibly engaged in the change. You then have to create a stage and draw in as many people as possible and make them all feel like autonomous change agents. That way, when the change plan is announced, it is essentially a self medication."