

Organization Development and Change

Introduction to Organization Development and Change

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Source: Thomas G. Cummings - Christopher G. Worley

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- Research fields:
- Change management
 - Organizational Development
 - Management and Organization
 - Organizational Behaviour

Learning Objectives

- To provide a definition of Organization Development (OD)
- To distinguish OD and planned change from other forms of organization change
- To describe the historical development of OD
- To understand how leadership is linked to change activities
- To describe and compare three major perspectives on changing organizations.
- To describe how planned change can be adopted to fit different kinds of conditions
- To understand the different elements of a successful change program

Burke's Definition of OD

OD is a planned process of change in an organization's culture through the utilization of behavioral science technology, research, and theory.

French's Definition of OD

OD refers to a **long-range effort** to improve an organization's **problem-solving capabilities** and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants.

Beckhard's Definition of OD

OD is an effort

(1) planned,

(2) organization-wide, and

(3) managed from the top, to

(4) increase organization effectiveness and health
through

(5) planned interventions in the organization's
“processes,” using behavioral science knowledge.

Beer's Definition of OD

OD is a **system-wide process of data collection**, diagnosis, action planning, intervention, and evaluation aimed at:

- (1) enhancing congruence between organizational structure, process, strategy, people, and **culture**;
 - (2) developing new and creative organizational solutions; and
 - (3) developing the organization's self-renewing capacity.
- It occurs through collaboration of organizational members working with a change agent using behavioral science theory, research, and technology.

Geert Hofstede

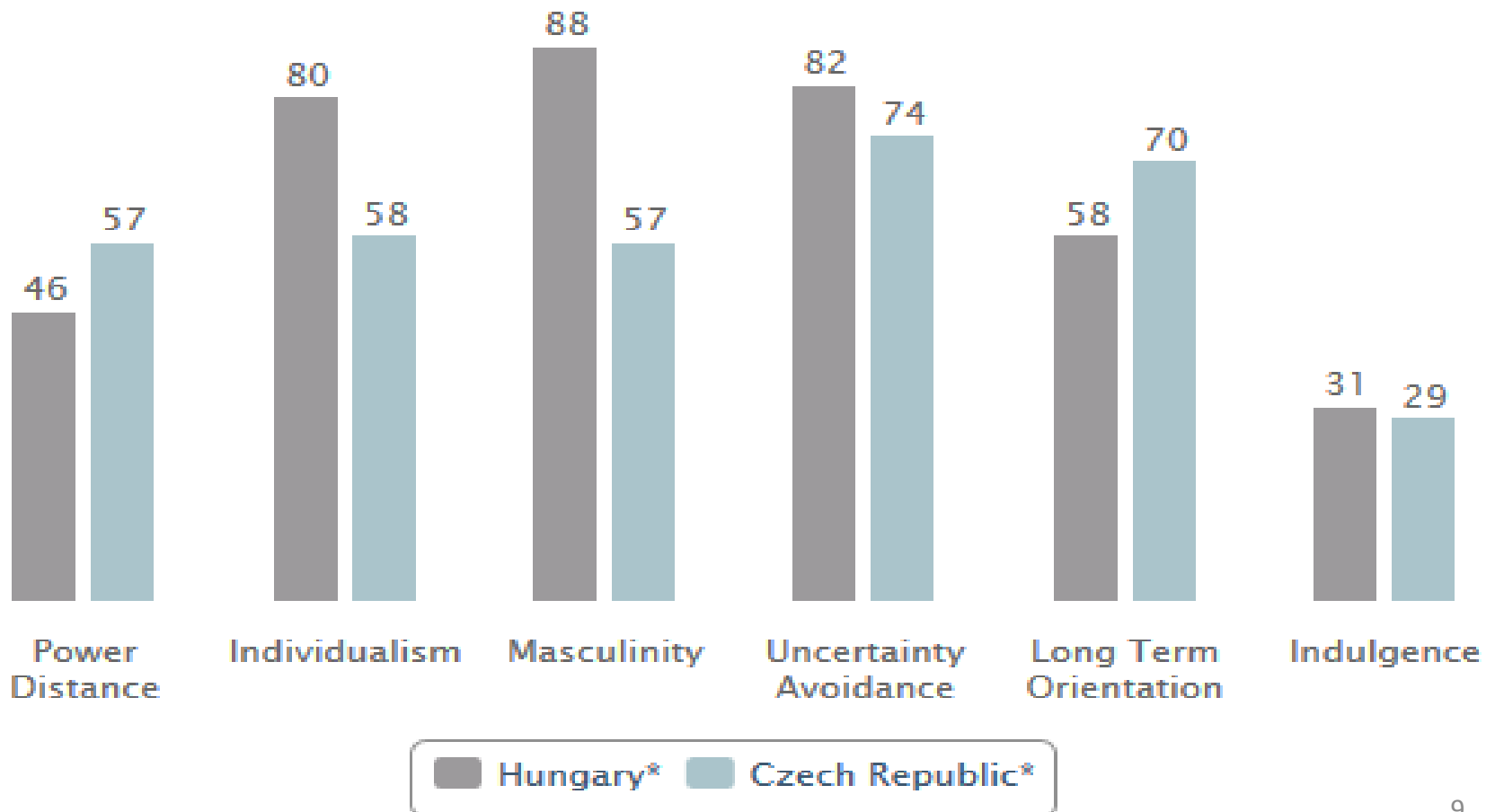
- Gerard Hendrik (Geert) Hofstede (born 2 October 1928)
- Dutch social psychologist, former IBM employee, and Professor Emeritus of Organizational Anthropology and International Management at Maastricht University in the Netherlands,
- well known for his pioneering research on cross-cultural groups and organizations.

Dimensions of national cultures:

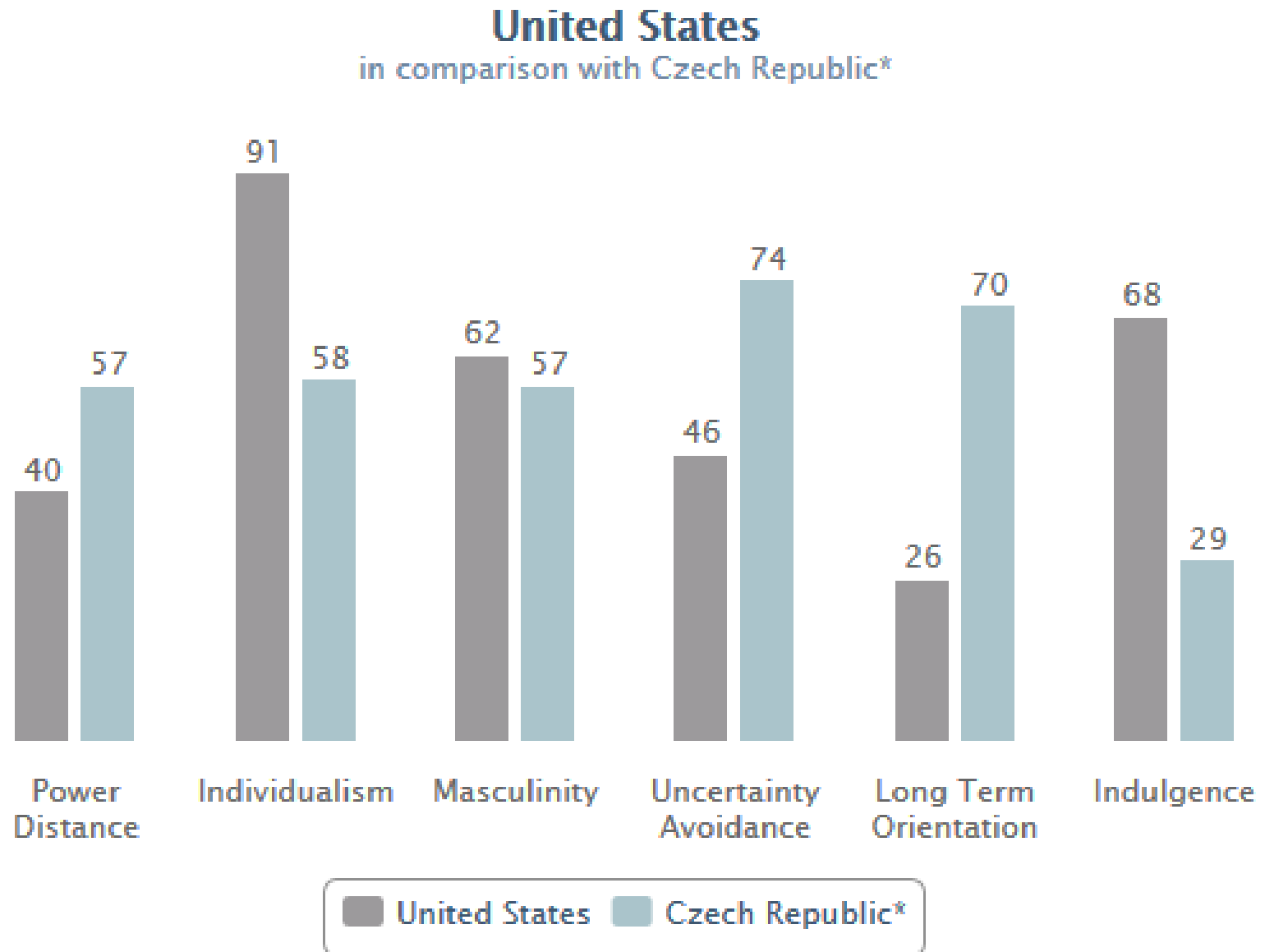
- Power distance index (PDI)
- Individualism vs. collectivism (IDV)
- Uncertainty avoidance index (UAI)
- Masculinity vs. femininity (MAS)
- Long-term orientation vs. short-term orientation (LTO)
- Indulgence vs. restraint (IND)

Culture differences by Hofstede

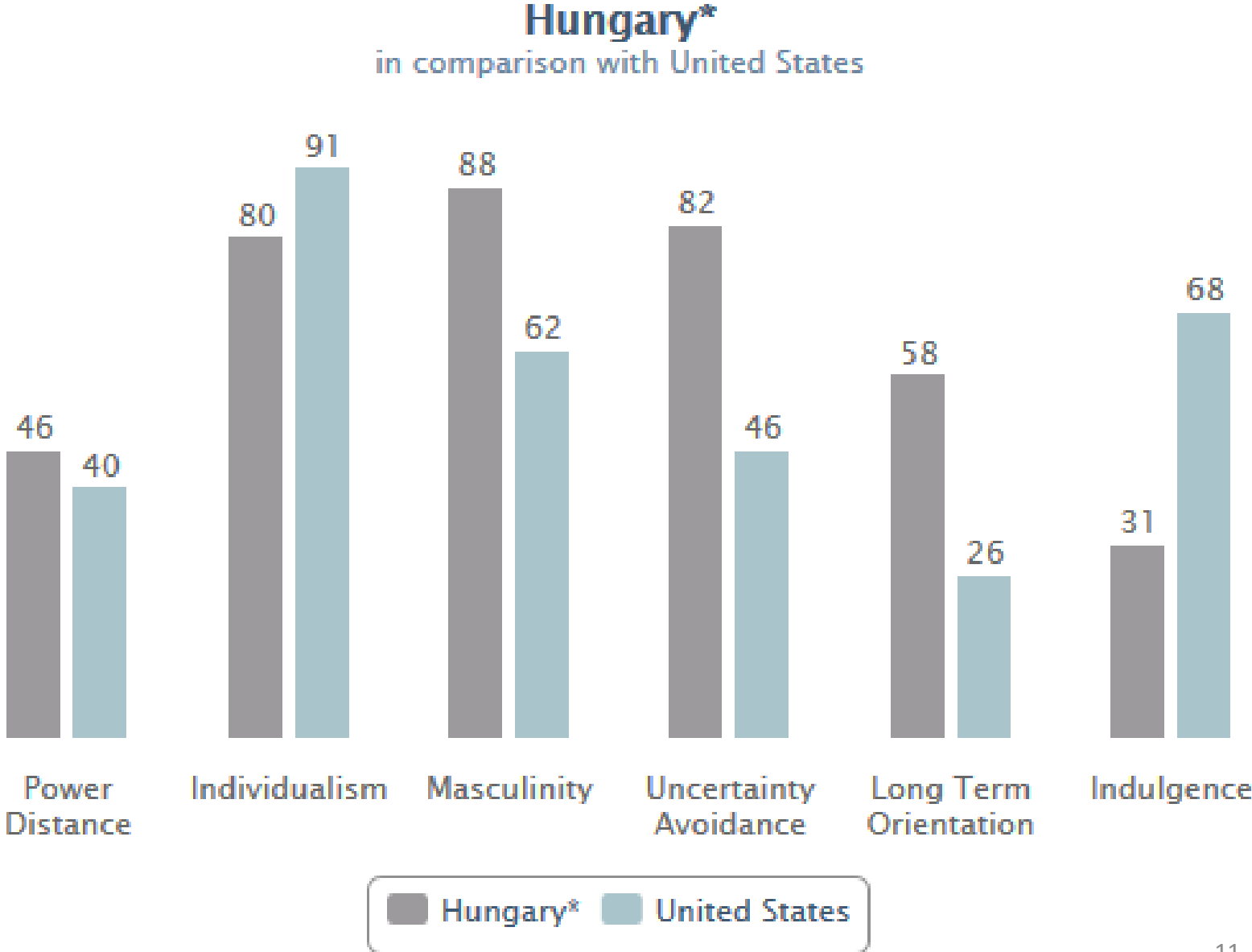
Hungary*
in comparison with Czech Republic*



Culture differences by Hofstede



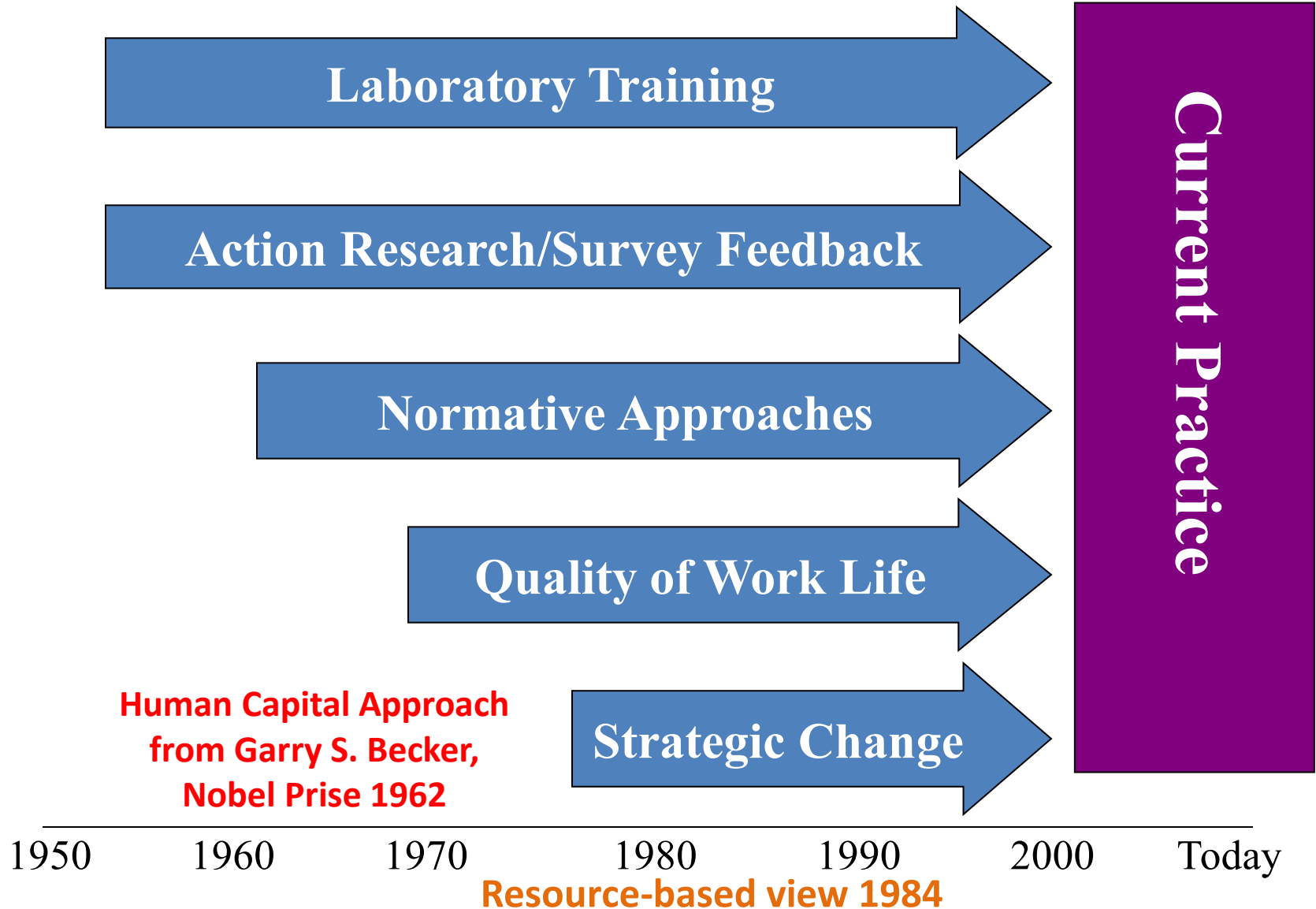
Culture differences by Hofstede



Organization Development is...

*a system-wide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the **strategies, structures, and processes that lead to organization effectiveness.***

Five Stems of OD Practice



Part I:

The Nature of Planned Change

The OD Practitioner

Part II: The Process of Organization Development

Entering &
Contracting

Diagnosing
Organizations

Diagnosing
Groups & Jobs

Collecting
Diagnostic
Information

Feeding Back
Diagnostic Data

Designing OD
Interventions

Leading and
Managing
Change

Evaluating &
Institutionalizing
Change

**Part III:
Human
Process
Interventions**

Individual,
Interpersonal,
& Group
Process
Approaches

Organization
Process
Approaches

**Part IV:
Techno-
structural
Interventions**

Restructuring
Organizations

Employee
Involvement

Work Design

**Part V:
Human
Resources
Management
Interventions**

Performance
Management

Developing and
Assisting
Members

**Part VI:
Strategic
Interventions**

Competitive and
Collaborative
Strategies

Organization
Transformation

Part VII: Special Topics in Organization Development

Organization Development
in Global Settings

OD in Nonindustrial
Settings

Future Directions
in OD

OD planned
change:
M&A activity

- Mercedes + Daimler
Benz = Benz&Cie →
Mercedes-Benz
(1926 - ...) 😊



BENZ & CIE
RHEINISCHE AUTOMOBIL
U. MOTOREN - FABRIK
AKTIEGESELLSCHAFT

MANNHEIM

OD planned change: M&A activity

- BMW + Rover → (1994 – 1998) ☹️



OD planned change: M&A activity

- Daimler + Chrysler = DaimlerChrysler (1998 – 2005) ☹️



OD planned change: M&A activity

- Renault + Nissan → 1999 😊

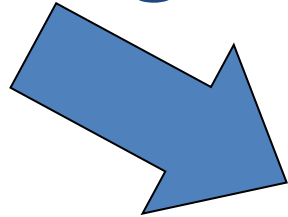


- Renault + Nissan + Mitsubishi → 2015 ?

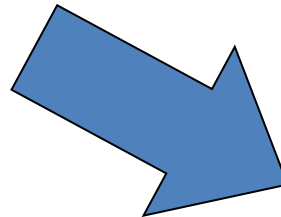


Lewin's Change Model (1954)

Unfreezing



Movement



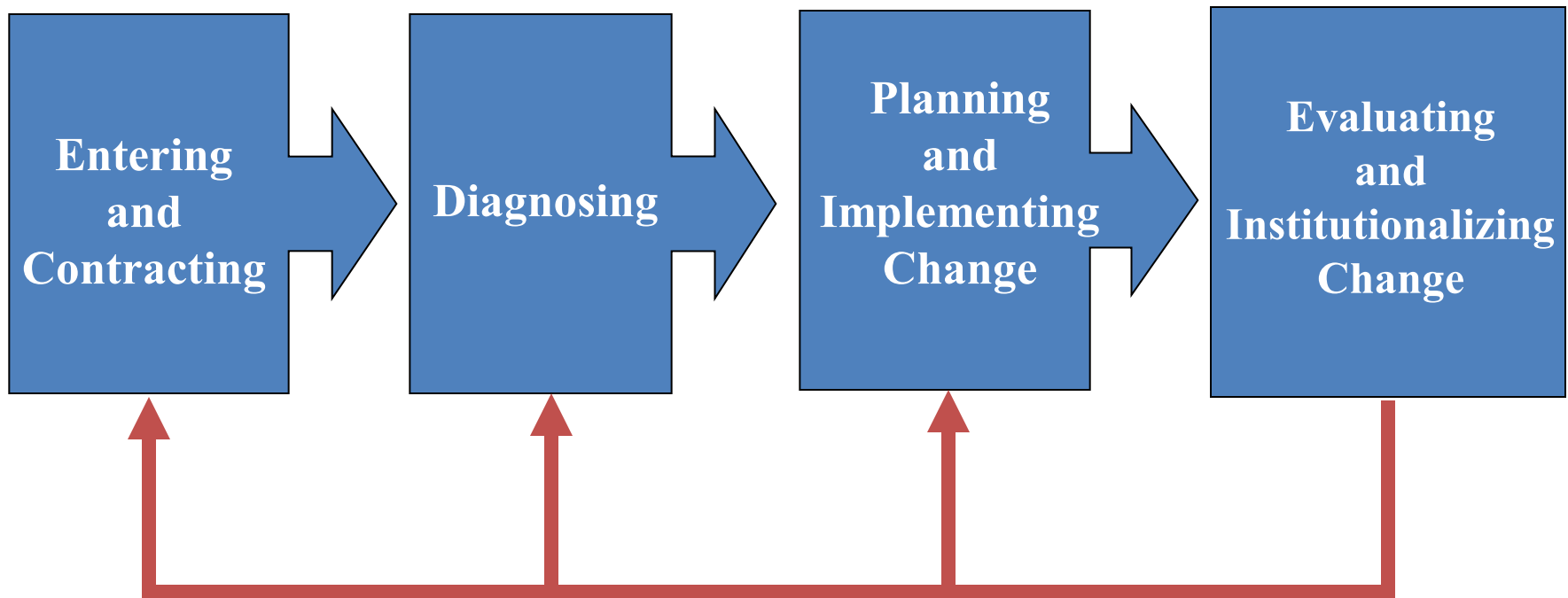
Refreezing



Kotter's 8-Step Process for Leading Change (1996)



General Model of Planned Change



Different Types of Planned Change

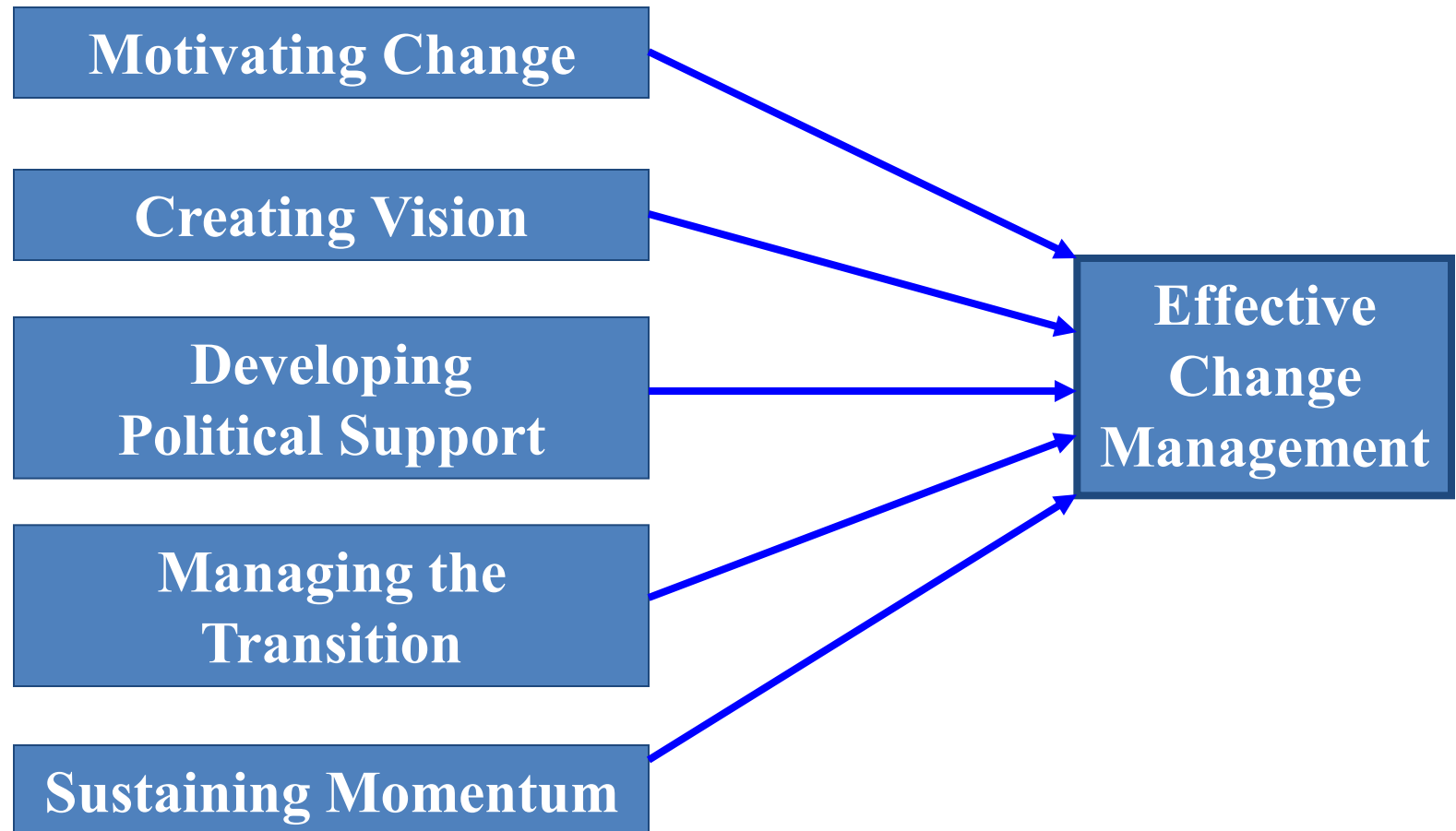
- Magnitude of Change
 - Incremental
 - Radical
- Degree of Organization
 - Over-organized
 - Under-organized
- Domestic vs. International Settings

https://www.youtube.com/watch?v=__IYNMdV9E

Critique of Planned Change

- Conceptualization of Planned Change
 - Change is not linear
 - Change is not rational
 - The relationship between change and performance is unclear
- Practice of Planned Change
 - Limited consulting skills and focus
 - Quick fixes vs. development approaches

Change Management Activities



Motivating Change

- **Creating Readiness for Change**
 - **Sensitize the organization to pressures for change**
 - **Identify gaps between actual and desired states**
 - **Convey credible positive expectations for change**
- **Overcoming Resistance to Change**
 - **Provide empathy and support**
 - **Communicate**
 - **Involve members in planning and decision making**

Creating a Vision

- Discover and Describe the Organization's Core Ideology
 - What are the core values that inform members what is important in the organization?
 - What is the organization's core purpose or reason for being?
- Construct the Envisioned Future
 - What are the valued outcomes?
 - What is the desired future state?

Developing Political Support

- Assess Change Agent Power
- Identify Key Stakeholders
- Influence Stakeholders

Sources of Power and Power Strategies for Change Agents

Individual Sources of Power

Knowledge

Others' Support

Personality

Power Strategies

Playing it Straight

Using Social Networks

Going Around the Formal System

Examples for human power

Ford 1968:

<https://www.youtube.com/watch?v=DZ509hHkH08>

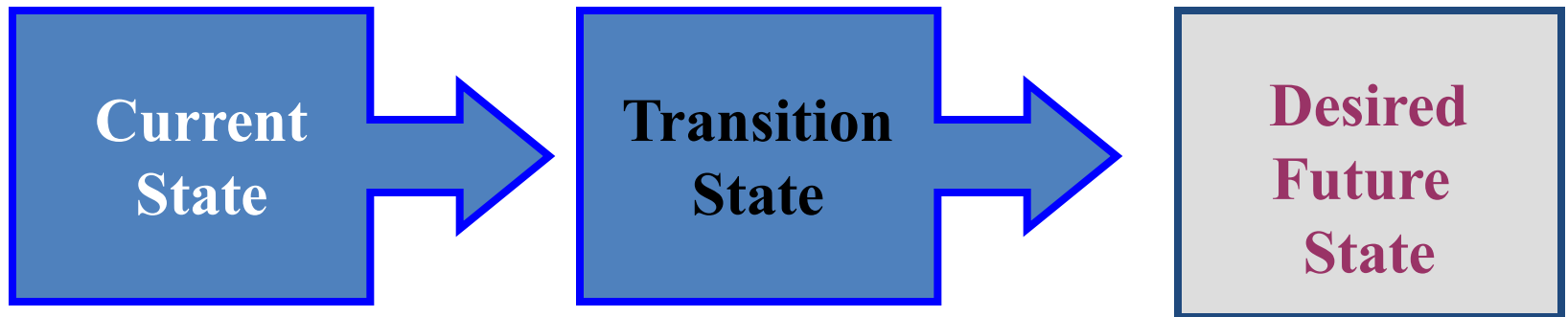
Iron Lady (1979 – 1990):

<https://www.youtube.com/watch?v=hZrAKdIX0SA>

Managing the Transition

- Activity Planning
 - What’s the “roadmap” for change?
- Commitment Planning
 - Who’s support is needed, where do they stand, and how to influence their behavior?
- Change-Management Structures
 - What’s the appropriate arrangement of people and power to drive the change?

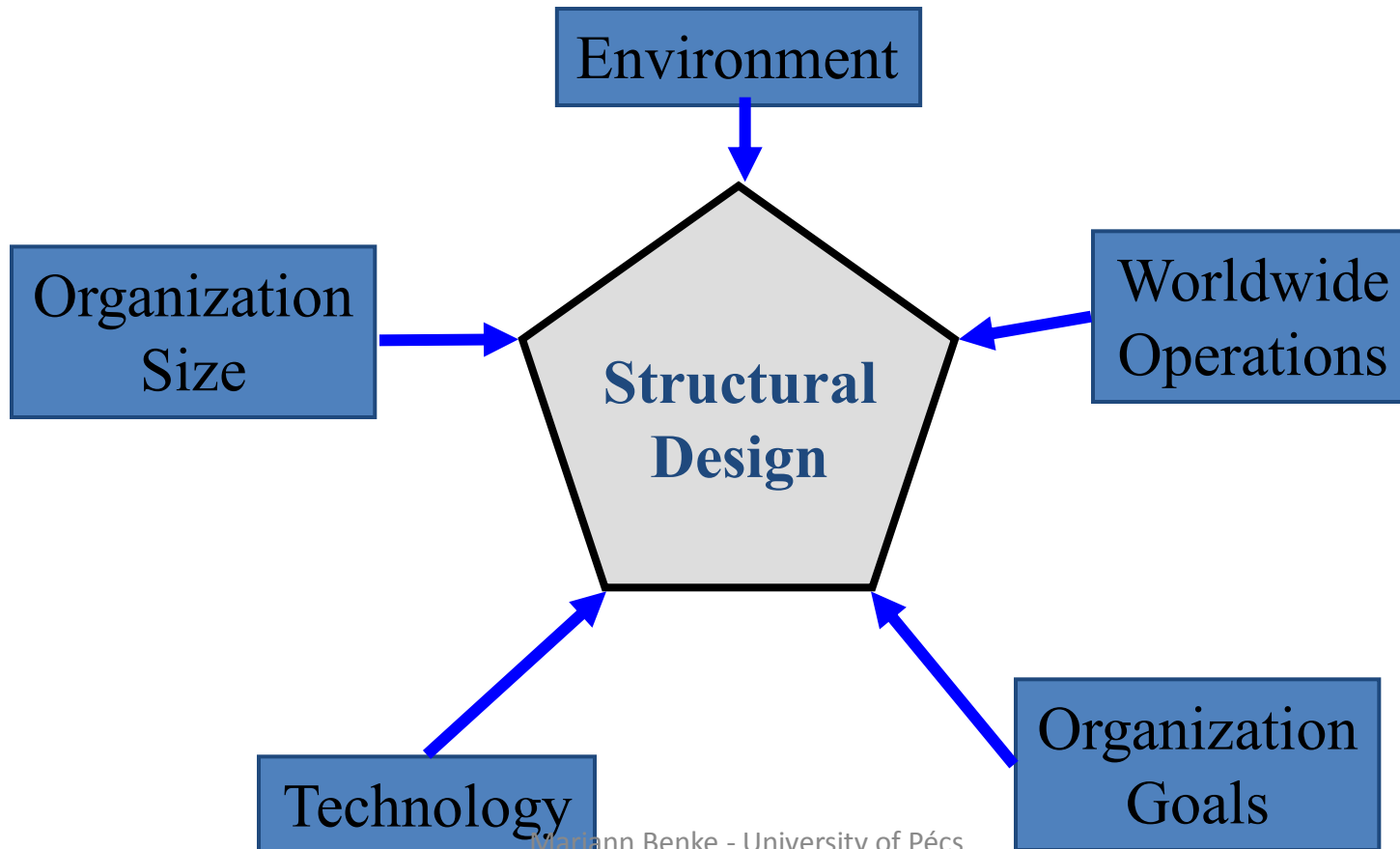
Change as a Transition State



Sustaining Momentum

- Provide Resources for Change
- Build a Support System for Change Agents
- Develop New Competencies and Skills
- Reinforce New Behaviors
- Stay the Course

Restructuring Organizations: Contingencies Influencing Structural Design



Structural Design

- **Functional Organization**
- **The Divisional Organization**
- **The Matrix Organization**
- **The Process-Based Structure**
- **The Network Organization**

The Reengineering Process

- Prepare the organization
- Specify the organization's strategy and objectives
- Fundamentally rethink the way work gets done
 - Identify and analyze core business processes
 - Define performance objectives
 - Design new processes
- Restructure the organization around the new business processes.

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Thank you for your attention!

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