ORGANIZATIONAL DEVELOPMENT (OD) INTERVENTIONS
DX -> RX
WHAT IS OD?

Beckhard:

"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."

OD is a planned system of change.
WHAT IS AN OD INTERVENTION?

a set of sequenced, planned actions or events intended to help an organization to increase its effectiveness.

purposely disrupt the status quo; they are deliberate attempts to change an organization or sub-unit toward a different and more effective state.
CRITERIA FOR EFFECTIVE INTERVENTIONS

1. The Extent to Which it (the Intervention) fits the needs of the organization, $Dx \rightarrow Rx$
2. The degree to which it is based on causal knowledge of intended outcomes
3. The extent to which the OD intervention transfers change-management competence to organization members.
FACTORS THAT IMPACT THE SUCCESS OF OD INTERVENTIONS

Factors relating to Change Situation:
1. Readiness for Change
2. Capability to Change
3. Cultural Context
4. Capabilities of the Change Agent (OD Consultant)
FACTORS THAT IMPACT THE SUCCESS OF OD INTERVENTIONS

Factors Related to the Target of Change

A. Organizational Issues
   1. Strategic Issues
   2. Technology and Structure Issues
   3. Human Resource Issues
FACTORS THAT IMPACT THE SUCCESS OF OD INTERVENTIONS

4. Human Process Issues

B. Organizational Levels

OD interventions are aimed at different levels of the organization: individual, group, organization and trans-organization (for example different offices of the organization around the globe; or between organization and its suppliers, customers, etc.)
THREE BASIC APPROACHES TO ORGANIZATION CHANGE

1. Structural
2. Technical
3. Behavioral

Developing strategy includes planning activities to resolve difficulties and build on strengths.
STRUCTURAL APPROACH TO CHANGE

Changes that relate elements of organization to one another.
Includes removing or adding layers to hierarchy.
Downsizing associated with restructuring.
Changes can involve decentralization and centralization.
TECHNICAL APPROACH TO CHANGE

Changes in machinery, methods, automation, and job design. Changes help companies become more productive.
BEHAVIORAL APPROACH TO CHANGE

Emphasizes better utilization of human resources by improving:

- Morale.
- Motivation.
- Commitment of members.

OD traditionally associated with behavioral strategies.
CHANGES REQUIRE ALL STRATEGIES

Structural, technological, and behavioral strategies not OD change strategies per se.

Determining feature of an OD strategy is process used to arrive at strategy.
OUR CHANGING WORLD: JAPAN TRIES TO RESTRUCTURE (PART 1 OF 2)

In 1980s Japanese companies model to world.
Recently, Japanese companies failed to respond to changing world. Nissan first company to close major factory in Japanese auto-industry.
OUR CHANGING WORLD: JAPAN TRIES TO RESTRUCTURE (PART 2 OF 2)

Nissan failing when Renault took control. Ghosn brought in to turn company around. Shut down 5 plants, reduced workforce by 23,000, shifted production to U.S. Most experts say do not count Japan out. A viable Japan may emerge.
INTEGRATION OF CHANGE STRATEGIES (PART 1 OF 2)

OD deals with change from integrated standpoint that considers:

- Structure
- Technology
- Behavior

Interdependence of sub elements (departments) needs to be considered.
FIGURE 8.1
INTEGRATED APPROACH TO CHANGE

OD PRACTITIONER

Behavioral Strategy
Change Attitudes and Values
New Behaviors

Structural Strategy
Change Structures and Design
New Relationships

Technological Strategy
Change Production and Methods
New Processes

Improved Performance

Organizational Effectiveness and Excellence
INTEGRATION OF CHANGE STRATEGIES
(PART 2 OF 2)

Change strategies need to take account of overt and covert elements.

Second-order consequences consider change in one area that influences others.
FIGURE 8.2
“ORGANIZATION ICEBERG” APPROACH TO OD

Overt Components
- Job Definitions and Descriptions
- Organization and Structure
- Span of Control and Hierarchical Levels
- Organization’s Missions, Goals, and Objectives
- Operating Policies and Practices
- Production and Efficiency Effectiveness Measurements

These components are publicly observable, rational, and oriented to structural considerations.

Covert Components
- Emergent Power and Influence Patterns
- Personal Views of Organization and Individual Competencies
- Patterns of Interpersonal and Group Relationships
- Group Sentiments and Norms
- Perceptions of Trust, Openness, and Risk-Taking Behaviors
- Individual Role Perception and Value Orientations
- Emotional Feelings, Needs, and Desires
- Affective Relationships between Managers and Subordinates
- Satisfaction and Development Effectiveness Measurements
- Human Resources Accounting Measures

These components are hidden, affective, and oriented to social and psychological process and behavioral considerations.
STREAM ANALYSIS

Useful in planning.
Helps organization plan interventions.
Provides graphical view of changes.
Allows progress to be plotted.
FIGURE 8.3 STREAM ANALYSIS CHART

<table>
<thead>
<tr>
<th>Month</th>
<th>Behavioral</th>
<th>Structural</th>
<th>Technical</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>B1 Team Building</td>
<td>S1 Chain of Command</td>
<td>T1 Install Robotics</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td>T1 Training</td>
</tr>
<tr>
<td>2</td>
<td>B2 Intergroup Team Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>S2 Self-Managed Work Teams</td>
<td>B3 Team Building</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
OVERVIEW OF MAJOR OD INTERVENTION TECHNIQUES

Intervention techniques focus on 4 categories:

1. Individual or interpersonal level.
2. Team or group level.
3. Intergroup level.
4. Total organizational system level.
# Table 8.1

**OD Interventions: An Overview (Part 1 of 2)**

## Types of Interventions

<table>
<thead>
<tr>
<th>Category</th>
<th>Individual</th>
<th>Team</th>
<th>Intergroup</th>
<th>Total Organizational System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral</td>
<td>Laboratory learning</td>
<td>Team building</td>
<td>Intergroup development</td>
<td>Goal setting</td>
</tr>
<tr>
<td></td>
<td>Career planning</td>
<td>Process consultation</td>
<td>Third-party intervention</td>
<td>Grid OD (Phases 4, 5, 6)</td>
</tr>
<tr>
<td></td>
<td>Managerial</td>
<td>Quality control</td>
<td>Organization mirror</td>
<td>Survey research and feedback</td>
</tr>
<tr>
<td></td>
<td>Grid (Phase 1)</td>
<td>Role negotiation</td>
<td>Process consultation</td>
<td>Action research</td>
</tr>
<tr>
<td></td>
<td>Stress management</td>
<td>Role analysis</td>
<td>Grid OD (Phase 3)</td>
<td>Likert’s System 4</td>
</tr>
<tr>
<td></td>
<td>Biofeedback</td>
<td>Grid OD (Phase 2)</td>
<td>Total quality management</td>
<td>Total quality management</td>
</tr>
<tr>
<td></td>
<td>Management by objectives</td>
<td>Goal setting</td>
<td></td>
<td>High-performing systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Third-party intervention</td>
<td></td>
<td>Reengineering</td>
</tr>
<tr>
<td>Structural</td>
<td>Job enrichment</td>
<td>Job enrichment</td>
<td>Job enrichment</td>
<td>Grid OD (Phases 4, 5, 6)</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td>Stress management</td>
<td>Team building</td>
<td>Goal setting</td>
<td>Survey research and  feedback</td>
</tr>
<tr>
<td></td>
<td>Management</td>
<td>Role negotiation</td>
<td>Total quality management</td>
<td>Action research</td>
</tr>
<tr>
<td></td>
<td>by objectives</td>
<td>Self-managed work teams</td>
<td></td>
<td>Likert’s System 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Role analysis</td>
<td>Total quality management</td>
<td>Total quality management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grid OD (Phase 2)</td>
<td></td>
<td>management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technological</th>
<th>Job design</th>
<th>Job design</th>
<th>Job design</th>
<th>Grid OD (Phases 4, 5, 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quality control</td>
<td>Grid OD (Phase 3)</td>
<td>Total quality management</td>
<td>Survey research and feedback</td>
</tr>
<tr>
<td></td>
<td>Grid OD (Phase 3)</td>
<td>Total quality management</td>
<td></td>
<td>Action research</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Likert’s System 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total quality management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>High-performing systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reengineering</td>
</tr>
</tbody>
</table>

Reengineering
Behavioral strategies - places emphasis on human resources.

OD intervention - actions designed to improve the health of the client system.

OD strategy - a plan for change using structural, technical, and behavioral methods.

Parkinson’s Laws - summarizes the problems of inefficient practices in organizations.

Second-order consequences - indirect consequences that result from change.

Stream analysis - method useful in planning that plots interventions over period of time.

Structural strategies - alters framework that relates parts of organization to one another.

Technological strategies - changes in machinery, methods, and job design.

Virtual meetings - meetings that occur electronically over telecommunications lines and Internet.