Chapter 20
Organizational Development

Chapter Outline

The Organizational Development Process

Unless they continually adapt to a changing environment, all organizations eventually begin to deteriorate and they will eventually die if they are not revitalized. Organizational development is a process of preparing for and managing a planned change effort. However, not all change efforts are considered organizational development, because OD is typically differentiated from management training and other educational interventions. Organizational development involves a collaborative diagnosis and problem-solving approach for avoiding organizational decay and for creating organizational renewal.

Historical Stems

The foundations of OD began with some of the early change strategies that started in the 1940s and 1950s: laboratory training, survey feedback, quality management, and sociotechnical systems.[1] By the early 1970s, several successful OD interventions had occurred and many managers recognized the benefits of OD.

Laboratory Training. Laboratory training, also called *T-group* training or *sensitivity training*, was started by Kurt Lewin and others in the 1940s. Lewin found that informal discussions with small groups of participants were very effective in helping members learn more about themselves and about interpersonal relations. He found that discussions about individual and group behavior combined with feedback at the end of each day appeared to produce more insight and learning than lectures and seminars. Kurt Lewin died in 1947, but the basic design of sensitivity training was continued by other behavioral scientists. For many years, organizational development specifically meant sensitivity training. Today, however, organizational development is defined much more broadly and sensitivity training is only one of many OD interventions.

Survey Feedback. Survey research and feedback were started by the Survey Research Center founded in 1946 at the University of Michigan by Rensis Likert and others. This group pioneered the development and use of carefully constructed questionnaires, rigorous probability sampling, and information feedback

to managers and supervisors. They found that when managers shared the results with subordinates and involved them in discussing the problems, substantial improvement occurred. Today, survey feedback is another valuable OD intervention that is used to diagnose and resolve organizational problems.

Quality Management. During the reconstruction of Japan after World War II, W. Edwards Deming, a management consultant from the United States, was invited to share his ideas about continuous quality improvement. He designed a four-day seminar for Japanese executives in 1950 and subsequently became a national hero to Japanese industry. To honor his contributions, Japanese industry created the Deming Prize in 1951. This annual prize, highly esteemed in Japan, recognizes the company that attains the highest level of quality for that year. Deming's ideas attracted little attention in America until an NBC documentary in 1980 featured the work of Deming and other colleagues in Japan.

Demonstrations of dramatic quality improvement in Japanese manufacturing attracted considerable interest and drew attention to the problems of poor quality in the United States. Deming taught that poor quality is 85 percent a management problem and 15 percent a worker problem. Management must plan for quality, and quality must be built into the product rather than inspected into it. In 1987, the United States started the Malcolm Baldridge National Quality Award to recognize U.S. companies that excel in quality achievement and management.

Sociotechnical Systems. Sociotechnical system design emphasizes the need to balance the technological factors associated with machines and work processes with the social needs of workers for interesting work and meaningful social interactions. This OD intervention originated in the early 1950s when researchers from England's Tavistock Institute redesigned the hazardous work of coal miners in Great Britain. For many years miners had worked in groups of six performing all the functions of extracting coal. A new long-wall method, with conveyors and coal-cutting machinery, was more productive because it created specialized jobs, but it destroyed the stable work group culture and caused considerable resistance. To combine the advantages of the new machines with the essential social support of work groups, the researchers used a "composite longwall" system where forty-one miners worked as a team performing all the necessary functions. Workers were trained to perform multiple tasks, and they were paid as a group. The group was responsible for selecting and training new members, making job assignments, scheduling work, and rotating the shifts. The performance of the composite longwall system was far superior to the traditional longwall system: voluntary absenteeism was only a tenth as much, output per person-shift was 5.3 tons versus 3.5 tons, operating potential was 95 percent versus 78 percent, and the company was saved the salary of a supervisor, since the group managed itself.[2]

Assumptions of OD

OD interventions are based on a number of underlying assumptions and values concerning people, groups, and organizations.[3] These assumptions and values play a large role in understanding the processes that are used in OD. Most of these processes depend heavily on individual involvement and effective group functioning for success.

Assumptions About People. OD interventions are based on the assumption that most people want to make, and are capable of making, a greater contribution to the organization than they are normally permitted to make. Many people feel constrained in their present environment and unable to exert constructive energy toward the attainment of organizational goals. OD attempts to unleash the energy and enthusiasm of employees and provide a means for channeling this constructive energy into creative and insightful avenues.

Assumptions About Groups. OD interventions recognize the powerful influence of peer groups on individual behavior. Small groups are generally considered the basic organizational building blocks of excellent companies. To help the group function effectively, most interventions assume that a formal leader cannot perform all the leadership and maintenance functions necessary for group effectiveness, hence other group members must act to supplement and help with the leadership functions. Many interventions try to improve the effectiveness of groups because groups cannot function effectively when there is a lack of interpersonal trust, support, and cooperation among group members.

Assumptions About Organizations. Most OD interventions assume that organizational conflict does not have to be viewed as an us-against-them confrontation. Instead, conflict is reinterpreted from a win-lose situation to a win-win strategy by approaching it in terms of "how can we all win?" OD interventions reject the idea that the goals of individuals are inconsistent and incompatible with organizational goals. Instead, the goals of individuals and the goals of the organization are viewed as consistent, where individuals can pursue their own best interests while working simultaneously to help the organization become successful.

Another important assumption about organizations, derived from open-systems theory, is that a change in one subsystem of an organization will impact other subsystems. Therefore, organizational development efforts need to be sustained by appropriate changes in every subsystem of the organization.

Values in OD. OD interventions also place a high value on two aspects of human behavior. A high value is placed on the dignity and worth of a human being. Individuals do not exist to serve the organization; organizations are created to serve people. Even though individual behavior must be controlled to some extent for the organization to exist, OD is based on the premise that excessive control and destructive influences should be changed or eliminated to preserve the dignity of the individual.

A high value is also placed on personal growth and development. The individual is viewed as a growing and developing person progressing toward self-actualization and self-improvement. Helping people to attain high levels of maturity and growth is an important aspect of OD interventions.

Change Agents

OD interventions are typically supervised and guided by a person or group of people who serve as facilitators to the process. These facilitators are typically referred to as change agents and they may be either internal or external to the organization. There are both advantages and disadvantages associated with using either internal or external change agents.

External Change Agents. An external change agent is typically a consultant or team of consultants from outside the organization who are asked to intervene and help bring about change. Coming from outside the organization allows change agents to see problems more objectively, and they can contribute valuable insights from other organizations. Another advantage is that after a feeling of trust has been established, employees are usually more willing to speak openly about sensitive problems and difficulties with an external change agent.

The disadvantage is that external change agents sometimes have difficulty establishing a feeling of trust, and their lack of experience with the organization prevents them from identifying the root causes of the problems. Coal miners, for example, typically feel that no one can truly understand their problems until they have spent time working underground. Another disadvantage of external change agents is that they

are typically inclined to recommend more drastic changes, which may be overly disruptive to the organization.

Managers use external change agents for a variety of purposes to help them perform their work. Normally, external change agents are expected to provide technical assistance and information or to assist in diagnosing and resolving problems. But external change agents are sometimes employed by a company to make unpopular decisions, such as recommending that a branch office be closed, or to perform undesirable chores, such as terminating an employee. Consequently, external change agents are justifiably viewed with suspicion by employees until their motives are clear.[4]

Internal Change Agents. Internal change agents are typically staff employees who have been specifically trained in organizational development. Some companies hire people with graduate degrees in organizational behavior to assist with their change and redesign efforts. However, managers and supervisors can also be trained to serve as change agents and conduct OD interventions that are designed to improve the functioning of their own units.[5] Internal change agents have the advantage of being familiar with the organization and its personnel and they can develop long-term relationships and feelings of trust sometimes needed for successful change. The disadvantage of internal change agents is that they are often viewed as agents of management who are primarily interested in the good of the company, rather than the good of the workers.

Transfer and Diffusion of Change

All organizational development interventions must contend with two troublesome problems that have limited their usefulness: the transfer-of-training problem and the intervention-diffusion problem.

Transfer of Training. The transfer of training problem refers to the difficulty of transferring the learning and changes in behavior that are achieved during the training situation back to the work environment. Training programs, for example, may teach employees new insights and help them acquire new skills, but if they fail to use these skills when they return to the job the training is ineffective. The transfer-of training problem was a serious problem that limited the success of early sensitivity training programs. Participants returned from their sensitivity training sessions and quickly reverted back to their former behavior patterns.

OD interventions and training experiences need to be designed to reduce the transfer of training problem. Evidence indicates that positive transfer is most likely to occur in the following situations:

1.   When the learning environment is similar to the actual work environment.
2.   When the new skills, attitudes, and behaviors are supported and modeled by other individuals.
3.   When the new learning is perceived as being useful in the work environment.
4.   When participants are allowed to practice their new behaviors in the training.
5.   When participants are evaluated and rewarded on their new behaviors on the job.

Diffusion. The *diffusion* of an OD intervention refers to the extent to which the initial change spreads throughout the organization and produces complementary changes in other individuals or programs. It may be possible, for example, for an OD intervention to have a large impact in one unit without benefitting other units of the organization or making the organization more effective. An otherwise useful intervention may die if diffusion does not occur. The problem of limited diffusion may occur because of resistance within other parts of the organization or because the sequential process linking one change with

subsequent changes was never clearly specified in the beginning. An excellent team-building meeting, for example, may help one group produce more efficiently; but unless corresponding changes can be made in adjacent groups, there may be conflict and no increase in organizational effectiveness.

Several factors contribute to the problems of diffusing of OD interventions:

1.   The intervention lacks the support and commitment of top management.
2.   Other departments are content with the status quo and feel no pain or dissatisfaction motivating them to accept a change.
3.   The reward system does not recognize or reinforce the change.
4.   Structural and technological changes necessary to support the change are not made.
5.   Other problems are perceived as more pressing and demand attention.

Evaluating OD

Most of the literature evaluating the effectiveness of OD interventions, especially the early reports, relied on anecdotal observations rather than sound empirical assessments. The literature largely consisted of case studies that were reported by the same people who served as the change agents. One study reviewed 574 case studies of OD and found that the vast majority of these were considered successful.[6] These studies included a wide variety of OD interventions, including team building, conflict resolution, survey feedback, and process consultation. In contrast, fewer than half of the senior executives in Fortune 500 companies reported in a survey that their change initiatives were successful. Not surprisingly, they said the major barrier to success was employee resistance to adopting new ways. They also said that the main impetus for achieving successful change was a change in management,[7] which was not something they were likely to recommend.

Over the years, the quality of the research evaluating OD has improved, and a growing number of change efforts have been evaluated with acceptable experimental or quasi-experimental designs. One study examined the results of almost 100 research studies and concluded that the results were quite encouraging.[8] Eleven types of OD interventions were included in this review, and they all had generally positive effects on various performance measures, such as output, turnover, absenteeism, and grievances. This review concluded that the average improvement, expressed statistically, was an increase of almost one half of a standard deviation unit.

Although most evaluations suggest that OD improves both job performance and worker satisfaction, several studies have found that the perceived changes in the quality of work life are negative when the change focuses on work redesign and productivity improvements. One review of fifty-six studies that measured both productivity changes and changes in the self-perceived quality of work life found substantial positive effects on performance measures but almost uniformly negative changes in quality of work life.[9] These negative effects were attributed to the performance pressures placed on the workers as a result of the *action levers* and control mechanisms implemented as part of the change.[10]

A crucial question concerning the favorable conclusions regarding OD research is whether the change is caused by the OD intervention itself or by the self-fulfilling prophecy. OD interventions are implemented with the expectation that they will improve organizational functioning; therefore, positive results should be obtained, due to the self-fulfilling prophecy, even if the intervention is worthless. At least one study has found that an OD intervention improved actual performance measures when those involved were led by the experimenter to expect it to, whereas the same intervention failed when organizational members

were led not to expect strong positive results.[11] Very few studies have attempted to control for the effects of the self-fulfilling prophecy, and it seems safe to conclude that it has contributed importantly to the positive results of OD.

A study of the benefit of team building in the Israeli military controlled for the effects of the self-fulfilling prophecy by creating success expectations for both the experimental and control groups. The results indicated that the team-building intervention significantly improved the teamwork and conflict handling of the experimental groups more than the control groups.[12] Therefore, even though the self-fulfilling prophecy may contribute importantly to the success of OD interventions, it appears that the interventions also make an important contribution to organizational functioning.

OD Interventions

An OD intervention is a set of structured activities designed to improve some aspect of organizational functioning. The set of activities does not have to be a rigid procedure; most OD interventions involve only a loosely defined sequence of activities that are adapted to the situation. A convenient way to classify OD interventions is according to the group for which they are intended. The major targets to be considered here are (1) interpersonal relationships, (2) group processes, (3) intergroup processes, and (4) the total organization. Some interventions are appropriate for more than one target, but most interventions are specifically designed to create change at one of these target areas. Only some of the most prominent interventions for each target are described here, but many additional interventions are described in the literature.

Interpersonal Interventions

Interpersonal interventions are directed primarily toward individual learning, insight, and skill building. They are designed to improve the effectiveness of individuals and to contribute to personal growth and adjustment.

Coaching and Counseling. An organization's formal performance appraisal system should provide feedback to employees regarding their performance. This information, however, is often inadequate because it does not tell a person what to do differently. A skilled observer is needed to identify problems and to suggest new behaviors. Usually the skilled observer is an external consultant who is able to take a fresh look at the situation. The consultant must be highly trained in observing human behavior and must know which behaviors are inappropriate. The role of the consultant is to respond to such questions as "What do you think I should do in this instance to improve my performance?" or "Now that I can see some areas for improvement, how can I change my behavior?" Management education programs could be viewed as OD interventions of *coaching and counseling*.

Sensitivity Training. Sensitivity training (or T-groups, with "T" standing for training) basically consists of unstructured group discussions by a small face-to-face group of not more than twelve to fifteen people. The focus of the discussions is on the "here and now" as opposed to what has happened in the past. The here and now consists mostly of the feelings and emotions experienced by the group members. Group members share their perceptions of each other and describe the attributes they admire in one another and the things that irritate them.

A trainer is usually present during sensitivity training, but not in a leadership role. The trainer usually refuses either to lead the group or to recognize other forms of leadership or status among group members, such as organizational position. Typically, no activities or topics of discussion are planned although short questionnaires are sometimes used at the beginning to spur participants to think about themselves and to reveal their feelings to others. When the participants are asked to respond to a questionnaire as a means of facilitating the session, these sessions are referred to as "*instrumented T-group*" sessions.

The lack of structure in a T-group often creates feelings of frustration, expressions of hostility, and attempts by some members to organize the group. Organizing attempts usually fail, however, and the group ultimately discusses why some members felt the need for structure. The ambiguity and frustration created in a T-group are not undesirable, since they force the participants to respond to new situations and help them to obtain greater self-insight. The primary objectives of sensitivity training are greater self-insight and self-awareness, greater sensitivity to the feelings and behaviors of others, and greater awareness of the processes that facilitate or inhibit group functioning.

Because of its popularity during the 1960s, T-group training stimulated much research and controversy. The research generally indicated that T-group training had a significant influence on changing interpersonal behavior, but the direction of the change was unclear.[13] Some participants said the change they experienced was not desirable. Empirical research found both positive and negative results. Most participants indicated that their T-group experience increased their interpersonal skills and made them more aware of others. However, some described it as a threatening experience that left them feeling inadequate and destroyed their self-confidence.

Sensitivity training continues to be used to help people improve their interpersonal competence, but it is generally not appropriate when the target of change is the organization or intergroup processes. Other interventions are more effective at creating change at those levels.[14] The transfer-of-training problem, a serious problem limiting the value of sensitivity training, has already been noted. To overcome this problem, "stranger T-groups" were replaced by "family T-groups" where the participants were members of an organizational family (a supervisor and his or her immediate subordinates).

Process Consultation. No organization operates perfectly, and managers often realize there are problems but don't know precisely what caused them or how to solve them. Consultants are frequently asked to help managers diagnose organizational problems and evaluate alternative solutions. "Process consultation" refers to activities on the part of a consultant that help the client perceive, understand, and alter the processes occurring in the organization.[15]

Like sensitivity training, process consultation assumes that organizational effectiveness can be improved by resolving interpersonal problems. However, process consultation is much more task oriented than sensitivity training. A process consultant observes the interactions between the client and other people and helps the client understand these interactions. They do not solve the organization's problems but serve as a guide or coach advising the client on the processes and interpersonal relationships needing improvement.

One major role of a successful process consultant is to teach the client how to diagnose group activities and interpersonal relationships. Therefore, process consultation is a joint effort in diagnosing and solving problems with the goal of helping managers acquire problem-solving skills that they can use after the consultant is gone. Process consultation often occurs as a one-on-one coaching process in which the consultant observes the interactions of a manager in meetings, interviews, and conversations, and tries to help the manager understand what occurred and how the interactions could be improved.

Group Interventions

The OD interventions that focus on group functioning receive the most attention. This attention primarily stems from the significant influence that the work group culture exerts on the behavior and attitudes of group members. The attention also stems from the realization that much of the work in today's organizations is accomplished directly or indirectly through groups. Therefore, both organizational effectiveness and the quality of work life are influenced greatly by how well a group functions.

Studies in group dynamics have identified some of the characteristics of an effective work group. In an effective group, there is a norm of cooperation and teamwork. The members communicate with each other openly and without defensiveness. Everyone participates in task-relevant discussions, and members listen well to one another. Decisions are usually based on consensus rather than on organizational position or a majority vote. The decisions and group goals are widely accepted. Conflict and disagreement are not necessarily eliminated, but they are focused on ideas and methods rather than on personalities and are used to stimulate creative problem solving.

Effective teams help their members satisfy their personal needs while cooperating to achieve the group's goal. Sometimes employees want to improve the group but do not know what to do. Individual efforts to create a more effective group are often resisted by other group members and only create more antagonism and conflict. Successful group interventions usually require the involvement of all group members. Four of the most popular group interventions include (1) the group diagnostic meeting, (2) the team-building meeting, (3) the role analysis technique (RAT), and (4) responsibility charting.

Group Diagnostic Meetings. *Group diagnostic meetings* are usually held by organizational "family" groups consisting of a supervisor and his or her immediate subordinates. The purpose of the diagnostic meeting is not to solve problems but simply to identify them and decide which are the most crucial. Solutions come later and may involve further interventions.

Group diagnostic meetings usually require an outside consultant to facilitate the discussion; however, supervisors can serve just as well if they possess adequate interpersonal skills and are not overly defensive. Being able to conduct a group diagnostic meeting is a valuable supervisory skill, but it is easy for a supervisor to feel defensive during the meeting since the discussion focuses on such questions as "What are we doing right?" "What are we doing wrong?" "Are we taking advantage of our opportunities?" "What problems do we need to address?" "How good are our relationships with each other?"

A group diagnostic meeting consists of an open discussion of the group's problems. If there are intense hostilities or if the group is too large for everyone to participate, the group may be divided into small subgroups. The subgrouping could be as small as peers who interview each other and then report to the total group. Typically, the problems are written on a chalkboard or on large pieces of paper taped to the walls. The group members discuss the problems, sharing their feelings about the cause of each problem and its seriousness.

The outcome of a group diagnostic meeting should be a careful analysis of the group's problems and a priority ranking showing which problems are the most crucial. Formal scaling procedures have been proposed to help the group evaluate the problems.[16] Later interventions may involve the group in generating and implementing solutions to the problems. But the goal of the diagnostic meetings is simply

problem diagnosis. If the group members discuss the problems, sharing their feelings about the cause of each problem and its seriousness, many problems can be resolved without further interventions.

Team-Building Meetings. The goal of a *team-building meeting* is to build a better functioning team. This goal includes greater goal accomplishment and improved group processes, such as better communication, decision making, personal interactions, and problem solving. Group processes tend to improve as a by-product of learning to solve problems that prevent the group from achieving its goals.[17]

Most team-building meetings involve getting the work group together, away from the workplace, for an extended period of time, such as one to three days. The group identifies the important problems, usually with the help of a consultant or an outside facilitator. As these problems are discussed, alternative solutions are developed and evaluated. The outcome of the meeting should be a carefully planned procedure that identifies the action steps and specifies who will do what and when. This plan should be a realistic solution acceptable to all group members.

If the meeting is dominated by a leader, the action plan probably will not be accepted by the group, nor will the group function as a coordinated team. All team members should be involved in the discussions, and all the decisions should be reached by consensus rather than majority vote.

There are several ways to conduct a team-building meeting. One method used at an oil refinery started by asking each member to estimate how effective the refinery was relative to how effective it could be. When the estimates were discussed, they agreed that it was only 60 percent effective. The facilitator drew a football field on the chalkboard and said the ball was forty yards away from the goal. The group used Lewin's force field analysis to analyze forces pushing in both directions in an attempt to diagnose their problems. After the group had agreed on the problems and their causes, they divided into subgroups to study them. The next day they met to discuss the recommended solutions and to decide on an action plan. By working late into the night, they developed a tentative plan. The next morning the plan was modified until it was finally accepted. This form of concentrated involvement away from the day-to-day pressures of work is usually necessary to resolve group conflicts and to build an effective team.

Role Analysis Technique. An organizational role consists of the task assignments and responsibilities of a particular job. A role also involves relationships with other jobs, and these relationships have to be understood for the roles to be performed effectively. The role analysis technique (RAT) is designed to reduce the uncertainty surrounding an employee's task assignments and responsibilities. Although the *RAT intervention* is used most frequently for managerial jobs, it can also be used to clarify the responsibilities of any job. It is particularly applicable when new teams are created or when a new member is added to an established team. The result of an effective RAT intervention should be the creation of well-written job descriptions that are commonly understood by all group members.

The RAT intervention defines the requirements of a *focal role;* that is, the role being examined. This intervention basically involves two steps. The first step consists of the person in the focal role defining the essential functions of his or her job – what it entails, why it exists, and what its place is in achieving the organization's goals. The specific duties are listed on a chalkboard and discussed by the entire group. Responsibilities are added and deleted until the role incumbent and the group are satisfied with the description. The second step consists of clarifying the expectations that the focal role person has of others. These expectations are likewise listed and discussed until the group and the role incumbent agree on them. RAT interventions focus on one role at a time, and it is usually wise to repeat the process until all crucial roles in the group have been clarified. Role confusion can be a serious cause of conflict in a work group.

Responsibility Charting. The effectiveness of a work group depends on the quality of decisions that are made, how carefully they are implemented, and whether task assignments and other responsibilities are carefully delegated and clearly understood. *Responsibility charting* is an intervention that helps to clarify who is responsible for which decisions and actions.[18]

The first step in responsibility charting is to construct a matrix. The types of decisions and classes of actions that need to be taken are placed along the left side of the matrix, and the group members are listed across the top of the matrix, as shown in Exhibit 20.1. The second step is to determine how each actor should be involved in each of the decisions. Group members may be assigned to make any one of four possible responses to each decision.

1.   R: responsibility to initiate action.
2.   A-V: right to approve or veto the decision.
3.   S: providing support and resources.
4.   I: being informed about the decision.

Exhibit 20.1   Responsibility Chart for an Employment Office

		R	Responsibility (initiates)			
		A-V	Approval (right to veto)			
		S	Support (put resources against)			
		I	Inform (to be informed)			
Decisions 9	Karen	Jill	Ken	Bob	Dick	Janet
Advertise jobs	R	I	—	S	—	A-V
Screen applicants	I	R	I	I	—	A-V
Interview applicants	I	I	R	—	S	S
Contact references	—	I	R	—	S	S
Make job referrals	I	I	—	I	S	R
Update data files	—	R	—	—	—	A-V
Administer tests	—	I	—	—	R	S

If a group member is totally removed from a particular decision, such noninvolvement is indicated by a simple dash in that cell of the matrix.

The responsibility for most decisions should be assigned to only one person in order to maintain personal accountability. The authority to approve or veto a decision should also be limited, because it is too time consuming to get approval from a large group. Furthermore, if one individual is involved in too many approval-veto roles, that person could become a bottleneck inhibiting the group's progress. One of the immediate insights that usually comes from responsibility charting is the realization that many decisions are not adequately supported by enough people. While people like having the authority to approve or veto decisions, providing the necessary support is not as popular.

Intergroup Interventions

Conflict and tension between two groups typically produce undesirable consequences for an organization. Each group pursues its own self-serving goals with little regard for the success of the other groups or the total organization. Communication between the two groups becomes distorted or is completely severed. Each group blames the other for problems and justifies its own actions. Gradually the other group is viewed as an enemy and perceived in terms of negative stereotypes. The groups may even resort to acts of sabotage or violence, and each group may become more interested in damaging the other group than in pursuing its own goals. The typical conflict between union and management is an excellent example of intergroup conflict. The causes and consequences of intergroup conflict and some of the strategies for resolving this conflict were discussed in an earlier chapter.

Finding a Common Enemy. This strategy involves finding an outside object or group that both groups dislike. Fighting a common enemy requires the groups to coordinate their efforts in order to achieve success. An example of a common enemy in union-management conflict is government regulation that threatens to eliminate jobs or foreign competition that threatens to dominate the industry.

Joint Activities. In pursuing joint activities, the groups are required to interact and communicate with each other. Although the initial interaction may be a bit strained, increased interaction under favorable conditions tends to create more positive feelings and sentiments toward members of the other group. Pursuing joint activities is especially effective for reducing conflict when there is a goal that both groups desire to achieve that neither can obtain without the help of the other. Some examples of joint activities that have helped to resolve labor-management conflicts are the quality-of-work-life programs.

Rotating Membership. This strategy consists of moving members from one group to the other. The expectation is that the transferred members will be able to share their feelings with the new group and help the groups understand each other better. This strategy has helped to improve international relationships by having foreign student exchanges. In union-management relations, this strategy has been limited mostly to promoting union members into management. A small number of managers have also been demoted to union member status. The evidence indicates that employee attitudes are strongly influenced by their group membership. When they were union members, they held prounion attitudes; when they became managers, they adopted promanagement attitudes; and when they were demoted back to union status, they reverted again to prounion attitudes. Apparently, the forces that create intergroup conflict can be very powerful.[19]

Conflict Resolution Meetings. Another strategy for resolving intergroup conflict involves a series of steps that gradually bring the groups together to share feelings and to engage in joint problem solving.[20]

The first step usually involves bringing the leaders of both groups together to give them instructions and to gain their commitment to seek better cooperation. In the second step, the two groups meet alone to develop two lists. Each group describes its feelings about the other group in one list, and then indicates what it thinks the other group is saying about it in the other list. In the third step the groups come together and share lists. Discussion is limited to questions for clarification; justifications and explanations are not allowed. In the fourth step the groups move toward a joint problem-solving session if they are ready for it. The number of steps in this intervention should be influenced by the degree of conflict. The groups should not be brought together in open discussion until they are ready to focus on the issues without having to defend themselves or blame one another. They continue to share lists until the hostility is diffused.

Group conflict may be caused by substantive issues, emotional issues, or both. Substantive issues involve disagreement over policies and practices, competition for scarce resources, and differing expectations about role relationships. Emotional issues involve negative feelings caused by resentment, distrust, and anger. The conflict resolution meetings should focus on the relevant issues. If conflict exists over substantive issues, the meeting should include problem solving and negotiation. If conflict exists over emotional issues, the meeting should focus on restructuring attitudes and discussing negative feelings.

Organizational Interventions

The preceding interventions can be used throughout a company to change the total organization. Sensitivity training and team-building sessions, for example, could start with top management groups and cascade down to successively lower levels in the organizational hierarchy until every member has participated. In a family group, everyone would participate as both a subordinate and as a supervisor except for the lowest levels, which would participate only as subordinates. These sessions could focus on goal setting, task redesign, role clarifications, group processes, performance evaluation, or whatever the problems happen to be. If they were successfully held at each level of the organization, these sessions could greatly increase the effectiveness of the organization by identifying problems, resolving conflicts, creating shared goals, and clarifying accountability for individuals and groups.

Vision and mission statements facilitate organizational change by providing guidance and direction. Organizational change frequently requires people to do things differently—to change directions, to pursue other goals, or to perform different functions. To get people to march to the beat of a different drummer, it helps to have a clear signal coming from the new drummer. Vision and mission statements provide a shared direction that helps align the efforts of many members behind a common idea that energizes and excites them.[21]

Organizational interventions do not necessarily have to start at the top. An alternative is to start at the periphery and move toward the corporate core by putting employees in a new corporate context that imposes new roles and responsibilities on them. This approach to change focuses on task alignment and developing a shared vision.[22] A new corporate culture emerges over time as new policies and systems become institutionalized.

Although most interventions can be implemented throughout the entire organization, some interventions are generally considered company-wide interventions. These interventions are called comprehensive interventions because they usually involve the entire organization and are implemented throughout a company. Five of the most widely known comprehensive interventions include (1) survey feedback, (2) structural interventions, (3) sociotechnical system design, (4) total quality management, and (5) cultural interventions.

Survey Feedback. Survey feedback interventions consist of two major activities. The first step is administering the attitude survey to assess the opinions of employees. The second step is reporting this data back to members of the organization, analyzing what they say and using them to design corrective actions.

When survey feedback is used as an OD intervention, everyone participates in providing information and everyone participates in reviewing the data (rather than just top management, as with the typical opinion survey). Each group is the first to receive a report on its own group attitudes; the data are used to identify

problems and diagnose the organization. During the feedback session, the groups engage in problem-solving activities to correct problems and to increase organizational effectiveness.

Survey feedback interventions have been used successfully by many organizations, but their success depends primarily on three factors.[23] The first factor involves the commitment of organizational members to each other and to the success of the organization. They must be willing to share their feelings and to participate openly in the feedback and problem solving sessions. Second, top management must support the intervention and create an open environment so that employees feel their efforts are worthwhile. Finally, the questionnaire must address the major issues and accurately assess employee feelings. The development of a good questionnaire is a creative endeavor that usually requires some preliminary interviewing to make certain it focuses on relevant employee concerns. Part of a questionnaire used in survey feedback is shown in Exhibit 20.2.

A questionnaire developed by Rensis Likert measuring System One versus *System Four* style is especially useful for survey feedback interventions because it focuses on vital organizational variables. Likert argued that an autocratic, exploitative, System One management style was not as effective as a participative, democratic and employee-centered System Four management style. Likert collected extensive data to support his argument that organizations become more effective as they move from a System One to a System Four style of management.[24] Members of the organization are asked to describe the current style of management using a questionnaire. This questionnaire focuses specifically on the dimensions of management style that Likert's research indicates are important determinants of organizational effectiveness.

Structural Change. Perhaps the easiest and fastest way to change an organization is to alter it's structure. Structural changes include such changes as altering the span of control, changing the basis of departmentalization, revising the authority system by creating a different hierarchical reporting relationship, or revising the organization's policies. These changes often have an enormous and relatively permanent impact on individual behavior and organizational functioning. Structural changes are often suggested as part of the problem solving and action planning of other OD interventions. However, the structure also can be changed by a unilateral decision of top management. Some examples of structural changes include
- Moving a job from one department to another
- Reducing a supervisor's span of control
- Dividing a large department into two smaller departments

Exhibit 20.2   Questionnaire Used for Survey Feedback

	Strongly Disagree			Neither			Strongly Agree
1. Considering everything about the company, I'm very well satisfied with it.	1	2	3	4	5	6	7
2. People in top management respect my personal rights.	1	2	3	4	5	6	7
3. The company frequently expects me to do things that are not reasonable.	1	2	3	4	5	6	7

4.	I have a lot of confidence in the business judgement of top management.	1	2	3	4	5	6	7
5.	There's a friendly feeling between the employees and management.	1	2	3	4	5	6	7
6.	Management usually keeps us informed about the things we want to know.	1	2	3	4	5	6	7
7.	The company tries to unfairly take advantage of its employees.	1	2	3	4	5	6	7
8.	This company is a good one for a person trying to get ahead.	1	2	3	4	5	6	7
9.	The company offers good opportunities for self-improvement.	1	2	3	4	5	6	7
10.	Management is not very interested in the feelings of the employees.	1	2	3	4	5	6	7
11.	I know exactly what's expected in my job.	1	2	3	4	5	6	7
12.	The employees frequently don't know what they're supposed to be doing.	1	2	3	4	5	6	7
13.	This company is a better place to work than most companies around here.	1	2	3	4	5	6	7
14.	The jobs in this company are well organized and coordinated.	1	2	3	4	5	6	7
15.	There is a lot of time and effort wasted in this company due to poor planning.	1	2	3	4	5	6	7

- Transferring an entire department to a different division (such as taking security out of the human resource department and assigning it to the operations division)
- Creating a new department to centralize a particular function (such as creating a word processing center rather than allowing managers to have personal secretaries)
- Reorganizing an entire organization along different lines (such as eliminating the management, finance, accounting, and economics departments within a college of business and assigning the faculty instead to undergraduate or graduate degree programs)

In recent years some companies have experimented with new structural arrangements to respond to a rapidly changing environment. Many companies have used a project structure in which employees are assigned to work on special projects under the direction of the project leader. However, the employees still retain their memberships in their original departments while they work on the project. During this time, they report to two supervisors.

Because an organization's structure has a strong influence on its effectiveness, structural changes can have a significant and immediate impact. Therefore the structure of an organization must be periodically evaluated. Frequent changes in the structure can create confusion, but an obsolete structure can place a serious constraint on organizational effectiveness.

Sociotechnical System Design. A sociotechnical system intervention could involve any change in either the social or technical systems of an organization; however, sociotech interventions typically involve organizing workers in teams and allowing them to structure their work in the optimal way. Sociotech redesign is especially popular in middle-sized manufacturing and service companies that must be highly responsive to changing customer demands.

Although sociotech interventions can be started in an existing workforce, they are best implemented in a "*greenfield*," which is a startup operation with new plant and equipment and a new workforce.[25] The advantage of a greenfield is that the new work environment can be designed to maximize both productive efficiency and optimal social interaction. Machines, desks, partitions, and other physical design features can be arranged to facilitate the flow of work and the needs of employees.

Sociotech redesign typically involves the formation of autonomous or semiautonomous groups who supervise themselves. The responsibilities of these teams may include selecting and training their own team members, disciplining and terminating team members, administering salary and benefits, ensuring adequate multicultural diversity through affirmative action, budgeting, planning and distributing materials, shipping the end product, evaluating performance, engineering changes, monitoring product quality, maintaining equipment, providing safety and first aid, setting goals, solving problems, and scheduling work.

In most sociotech systems, a strong emphasis is placed on training and skill development. Team members are encouraged to learn how to perform all the jobs in the team so they can rotate freely to any job that needs to be performed. Multiskilling is rewarded by the compensation system, which is typically based on a philosophy of pay for knowledge rather than pay for performance. The base rate of pay for each employee is determined by how many skills and work functions the employee can demonstrate proficiency in performing.

Research evaluating the effectiveness of sociotechnical system designs has generally been positive.[26] A survey of seventeen studies found that sociotech interventions generally increase productivity and the increases are greater when they involve the formation of autonomous rather than semiautonomous groups, when they include increases in monetary incentives, and when they occur in countries other than the United States.[27] However, many sociotech interventions have also failed, and they have been criticized for lacking a clear conceptual focus and for not maintaining a consistent direction or application. There is no model to follow in designing a sociotech system, and sometimes a better balance in the social and technical systems of a company fails to improve productivity or satisfaction.[28]

Total Quality Management (TQM). *Total quality management* is characterized by three primary principles: doing things right the first time, striving for continuous improvement, and being responsive to the interests of customers. TQM interventions involve making quality a major responsibility of all employees. Continuous improvement usually includes working with suppliers to improve the quality of incoming parts and ensuring that manufacturing processes are capable of consistently high quality. Statistical process control (SPC) is a popular TQM technique that is used to improve quality. SPC involves carefully measuring the production process and using the data to identify problems and to monitor quality improvement.[29]

The steps that might be used in a TQM intervention include
1.   Defining the major functions and services that must be performed
2.   Determining the customers and suppliers of these services

3.   Identifying the customer's requirements, and developing quantitative measures to assess customer satisfaction regarding these requirements
4.   Identifying the requirements and measurement criteria that the suppliers to the process must meet
5.   Mapping, or flow-charting, the processes that occur within each department and between departments
6.   Continuously improving the process with respect to effectiveness, quality, cycle time, and cost.[30]

TQM interventions are often combined with other production management interventions, such as just-in-time inventory (JIT) and advanced manufacturing technology (AMT).[31] Just-in-time inventory control is a set of practices for reducing lead time and inventory. Its name derives from the practice of receiving or producing each subcomponent just in time for it to be used in the next step of production. JIT is usually associated with a "kanban" replenishment system. A kanban is a ticket in a container of parts that initiates the production of more parts so they will arrive just before the container is empty.[32]

Advanced manufacturing technology includes a variety of computerized technologies, such as computer-aided manufacturing (CAM) and computer-aided process planning (CAPP). These technologies have facilitated the use of robots in the assembly process and have greatly increased both productivity and quality.

TQM interventions have produced mixed results. Some companies have reported tremendous success and credited TQM for their competitive advantage, such as Motorola, Xerox, Federal Express, and Harley-Davidson. In other companies, however, TQM failed to produce the anticipated spectacular results. Florida Power & Light implemented what appeared to be a successful TQM project and won Japan's Deming Prize for quality management. However, worker complaints of excessive paperwork prompted Florida Power to slash its program. Likewise, the Wallace Company, a Houston oil supply company that won the Commerce Department's Malcolm Baldridge National Quality Award, found the honor did not protect it from economic hard times-it had to file for bankruptcy.[33]

Many authors have tried to explain why TQM succeeds or fails; but the advice is mostly anecdotal. The most popular suggestions call for employee training and the support of top management; but these suggestions did not guarantee success for Douglas Aircraft. After two years, Douglas Aircraft's TQM program was in shambles in spite of extensive preparation and training, which included two-week training seminars for its 8,000 employees.[34] These failures highlight the need for more information about how to involve employees in a successful quality program. The total quality movement is important to organizational success and better research is needed to identify when and how to implement TQM interventions.

Cultural Interventions. It has been suggested that significant changes in organizational structures or processes requires concurrent changes in the organization's culture; that formal change in the way the organization operates will endure only if consistent changes occur at the informal level of interpersonal relations and social expectations.[35] Unless there is a cultural change, formal changes will be resisted. Organizational stories and myths that serve to legitimize and rationalize a change strategy have been shown to contribute greatly to the acceptance of change because these stories (1) create a new organizational image and identity, (2) reward new behaviors, (3) facilitate organizational diagnosis, (4) establish new standards of behavior, and (5) serve as an effective source of social control.[36]

Cultural interventions are the most difficult interventions to implement, and some scholars question whether organizational culture can even be changed by a conscious change strategy.[37] The culture of an organization consists of the shared feelings, beliefs, and expectations of members within the organization.

These variables are not physically observable and can only be inferred indirectly by observing members of the organization and talking with them. Nevertheless, it is possible to change an organization's culture even though the process is slow and the desired outcome may be an evolving target. The steps of a cultural change intervention were explained in chapter 14.

Discussion Questions

1   What is a team building meeting? Identify a group in which you are a member and explain how you would conduct a team building meeting for this group. Develop an agenda and list the issues you would discuss.

2   Explain one of these OD interventions: Role Analysis Technique or Responsibility Charting. Apply one of these interventions to a position you hold in a group by making a list of your duties (for a RAT intervention) or responsibilities (for Responsibility Charting). Comment on how much agreement you think there would be regarding your list among other members of your group.

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