Analyzing Opportunities for Organizational Development

Executive Summary

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Abstract

Organizational Development has been a recognized science since the 1950’s and as organizations become increasingly complex, the current and future role within this discipline will be powerful in assisting organizations to reach their strategic goals and in leadership development that is centered on core values. This executive summary will explore a case study in organizational development and describe the emergence of change management within traditional models.
Defining Organizational Development

Organizational development can be described as an intentional and planned effort to meet current and future readiness to meet change, in fact, in the textbook, *Organizational Development: The Process of Leading Organizational Change*, the author defines organizational development as; “The process of increasing organizational effectiveness and facilitating personal and organizational change through the use of interventions driven by social and behavioral science knowledge” (Anderson, 2012 p. 3). This deliberate planning is accomplished through a systematic learning based on beliefs, attitudes and values within the organization which prepared the infrastructure for change management leading to a positive outcome for both the organization as well as the environment. In providing a framework for change that is designed to create a positive impact, Anderson goes on to state that in moving OD forward, change as a constant pressure must be understood, approached and indeed embraced.

In today’s working environment culture and moving into the future with rapidly changing technologies, globalization and workforce dynamics, organizational development will need to become embedded in the culture of the organization paying attention to cross-cultural diversity. In discussing culture, Walter and Schein define it as; “…shared basic assumptions that was learned by a group as it solved its problems…that has worked well enough to be considered valued and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems” (Anderson, 2012, p. 30). Organizational culture and development is vital to growth and expansion; empowering and developing employees is one aspect, leadership development is the second equation in success. John Kotter, professor at the Harvard Business School is regarded as a foremost authority on leadership and organizational change. Kotter advocates that to increase organizational power, effective leaders must first recognize the importance of developing their own personal power and emphasizes that trying to control others
by authority alone is often effective and few employees accept passive authority based solely on the title of being “the boss” (Kotter, 1996).

Every action within a company defines organization development; from culture, to leadership to employee empowerment, learning and teamwork. Within this paper, we will review a case study and explore opportunities for organizational development and apply change management concepts for consideration.

**Case Study: Northern County Legal Services**

As a non-profit organization, Northern County Legal Services located in an urban area is staffed with volunteer attorneys and law students who assist local residents with legal matters. The organizational mission is to pair clients who need legal services from domestic violence, family law, housing and employment law with individuals who are able to assist at either a reduced fee or pro-bono work relying heavily on grants for funding.

The working environment appears to be small, over-heated, lacking in space and resources, mismatched and hectic with a continual flow of clients where both the clients and the volunteers appear to be stressed and on edge. The director of the center, Julie, is the only full time employee and is perceived by the staff to be most interested in the funding rather than effective workflow, teambuilding and organizational learning. In comparing to Likert’s study on management practices, Julie could be considered as a System One. In this four level continuum on management practices, system one is considered a manager who is exploitative and authoritative. These managers use threats and intimidation to steer employees with information flow from the top down, usually in terms of orders rather than through communication. Fear of punitive action or sanctions keeps employees from offering upward communication. Not surprising, teamwork is non-existent in this type of atmosphere (Anderson, 2012).
In taking a quick biopsy of the organization, there are several fundamental organizational, team and individuals issues that have been identified as opportunities for improvement. One of the largest issues is in terms of the overall workflow; from the time the client enters the building until the paperwork is complete. As a leader, one should conduct a process map of the current state and begin to systematically work through those areas where issues are present as compared to the process map of the ideal or future state. Simple things such as having packets for clients to pre-complete prior to arrival as well as only offering appointments would assist in keeping the schedule on track as well as pairing clients with volunteers with expertise in their particular need.

Leadership is another issue that is apparent. Julie has not fostered an environment in which staff feel empowered through being effectively trained and where they feel open to offering suggestions for improvement in the process. Team building and fostering openness and trust has not been established, nor has a collaborative approach to process improvement. Julie has not valued the importance of having data readily available to assist her in making important decisions and in sharing this information regularly with key stakeholders. It is obvious staff are frustrated and afraid to speak out; likewise, Julie seems overwhelmed by the amount of work and deferred maintenance that is present. With these issues at hand, the organization is at threat for losing individuals to provide the services through volunteerism as well as not meeting the mission of the organization due to incomplete and late paperwork that ultimately does not provide the legal assistance those in need are seeking. Clearly, this case study is an excellent example of an organization that will need to invest in leadership development, staff development and culture change in order to meet their mission and strategic initiatives.

Creating Organizational Change

In discussing effective power, many theories exist for how to make changes occur within
an organization, in fact back in 1977, Kotter introduced four fundamental methods used by organizations to generate power that are still utilized today. The first method is creating a sense of obligation in others; “When the manager is successful, the others feel they should rightly allow the manager to influence them with certain limits”. The second method described is through a belief in the managers experience and the building of reputations as ‘experts’ so that others will automatically and systematically refer to the manager. The third method is through *unconscious identification* based on Sigmund Freud’s studies that conscious and unconscious idealized appearance of the manager is a source of power. The last method described is the “perceived dependence on a manager” (Kotter, 1977 p. 129-131) which is acquired by the actual or believed addition of resources.

Understanding there are many theories about how to “do” change; Kotter actually lays out a plan using an eight-step process in his 1996 book *Leading Change*. The first step in this process is to create a sense of urgency. The premise for change to occur, the organization must truly desire the change and developing a spark can be the motivating factor in moving an organization forward. Kotter explains for change to be successful and sustained, at least 75% of management must be in support. The second step in creating change is convincing people change is necessary and then forming a guiding coalition to lead the charge. Step three is to create vision and strategy. When change is identified as a necessity, it is common for many great ideas and thoughts to be bounced around at full speed so it is vital for leadership to link these ideas to the overall vision so that people can fully grasp the concept. In essence, the vision is a crucial piece in establishing the organizations roadmap to navigate implementation, even in the face of detours or bumps in the road. The fourth step is to clearly communicate the change; this communication must be done frequently, clearly, powerfully, and become embedded in every actionable item or
decision. Step five involves empowering employees in preparation for action and for leadership to remove obstacles throughout the process of implementation. In step six, an organization should look for opportunities to create short-term wins to motivate the organization and foster energy needed to continue toward the end goal. Building on the change is part of the seventh step. Kotter explains many projects fail because a victory is declared too early. An organization must understand change runs deep and it takes a systematic process to engrain this into the fabric of the establishment.

Finally, the eighth step is anchoring changes into the organizational culture, in essence “hardwiring” the processes needed for the changes to occur. During this time, leadership support is imperative in reinforcing this new vision. Although seemingly fundamental in methodology, utilizing these eight steps in a parochial approach has proven effective in moving visional change toward reality.

**Why Do Organizational Development?**

So with all of the various quality and process improvement systems and methodologies out there today, organizations must understand the importance in developing and creating a healthy and robust culture that supports innovation and continual growth. One of the most important considerations certainly is human resources. With human resources being the largest portion of a company’s budget, they can either make or break an organization and successful management of people is imperative. Another reason that organizational development is important is the changing nature of the workplace. Employees want and need continual feedback and performance evaluations in order to feel a sense of accomplishment, commitment and value within their work. As employees are continually being asked to do more work with less people, making processes more efficient and removing waste is another value of OD. In addition to the
changing nature of the workplace, globalization is also a consideration. Environments are changing and organizations must heed these changes and be proactive through developing closer partnerships with customers. Lastly, the accelerated rate of change dictates organization take an open-systems approach to be able to identify the competition on an international scale related to human resources, capital, physical resources and information technology.

One of the ways that researcher David Gleicher answered the question of when a company is ready for organizational development is through a formula that assesses readiness. Simply, the formula is; 

\[ \text{Dissatisfaction} \times \text{Vision} \times \text{First Steps} > \text{Resistance to Change} \] 

(Beckhard, 1987). This equation says all three components must be present to overcome the natural resistance to change in an organization. Merely having dissatisfaction with the current situation is not enough to create the energy necessary for change; having a strong vision and a plan must also be in place in order to make the paradigm shift and move continual learning and development into the culture of the organization.

**Closing**

Organizational development is powerful. In those companies who are truly leaders in their field and offer innovative solutions and continual growth are those who invest the time and resources that are necessary in building the culture to support organizational development – which is not a onetime event; OD is an innovative and elevated learning through an interdisciplinary approach. Lastly and most important, having a clear and concise understanding about the organizations values and mission will be imperative – not just what is written on a piece of paper on the wall, but rather, values that are a part of how an organization behaves every day and in everything they do.
References


