SIXTEEN

The art of free society consists first of the maintenance of the symbolic code, and secondly, in the fearlessness of revision . . . Those societies which cannot combine reverence to their symbols with freedom of revision must ultimately decay.

Alfred North Whitehead
Beyond Bureaucracy (Warren G. Bennis)

PLANNED CHANGE AND ORGANIZATIONAL DEVELOPMENT

OBJECTIVES

1. To examine the nature of change and analyze some of the forces which make it necessary.
2. To pinpoint the differences between haphazard and planned change.
3. To itemize and explain some of the commonly used strategies in implementing planned change.
4. To define and analyze organizational development and illustrate its relationship to planned change.

Change is inevitable. It is a fundamental aspect of historical evolution. The nature of organizations has changed over time. They are not the same as they used to be. And future organizations are not likely to be like those of the present. To complete our analysis of management theory and practice, we must understand organizational change, its causes, and its effects. To do this we will make a final shift in emphasis.

We began our micro-to-macro analysis of administrative theory by focusing on the individual and small group. We then shifted to the broader topic of the complex organization. We now move away from the internal structural aspects of organization to the external forces that require substantial internal changes.

NATURE OF CHANGE

The nature of organizational change can best be understood in the context of the traditional view of organizational structure. So we will first briefly review the structural approach to organization theory. We will then examine the types of changes that are currently taking place. An organization is not an entity unto itself. It is also a composite of the individuals and groups within it. And people are often reluctant to make changes. Therefore we will also examine the psychological factors that cause this resistance to change.

Traditional Organizational Structures

The structural approach views organizations from a closed-system perspective, with an emphasis on the efficiency of operations. The bureaucratic logic that has emerged is based on the principles of (1) specialization of labor, (2) standardization of work, and (3) centralization of authority. Less structural approaches see such efficient organizations as *monocratic* systems in which the legitimacy of authority flows from the top of the organization.[1] Consequently, the structure is rigid and inflexible and has difficulty adjusting to change. And bureaucracies do tend to emphasize conformity and deny or repel changes that would upset their traditional ways of doing things.[2]

It is probably safe to say that the environment within which an organization develops imposes certain characteristics on its structure.[3] Thus, electronic firms display structural characteristics unlike those in industries less affected by frequent and revolutionary upheavals. Even in rapidly changing industries, however, environmental factors can change faster than the organizations, so flux exists as a major problem in all areas of organizational life. Therefore, organizations and individuals, if they are to function effectively, must be capable of diagnosing situations, possess the ability to act, and be flexible to change.[4]

When we apply the test of efficiency to traditional bureaucratic forms of organization, they generally score rather high. This is especially true in environments where tasks are routine, programmed, and highly predictable. When tasks become more complex, less programmed, and more unpredictable, the case for a bureaucratic structure is less convincing.[5]

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Warren Bennis has suggested four major "threats" or categories of conditions that bureaucracies are not adaptable enough to cope with: (1) rapid and unexpected change, (2) growth in organization size and complexity, (3) complexity of modern technology, and (4) changes in management behavior.[6] Although additional categories could be generated, we need look only at these to illustrate the adaptability needed by organizations to cope with change.

Warren G. Bennis: Bureaucratic Foe

Born in 1925. He received his Ph.D. from the Massachusetts Institute of Technology and is a Fellow of the American Psychological and Sociological Associations. He has written widely on organizational theory and behavior and has been primarily concerned with the inability of traditional organizational forms to meet the challenge of change. Among his many books on the subject are Changing Organizations, Beyond Bureaucracy, Organization Development, *and* The Temporary Society. *At the time of writing he is president of the University of Cincinnati.*

Rapid and Unexpected Change

Change is subject to the *law of acceleration*, which states that change takes place at an ever increasing rate.[7] Although there are, of course, practical limits to change, and perhaps theoretical ones, this law indicates that, for example, one set of technological change creates the potential for further advances. The same law applies to such other areas as the legal-political environment of business.

Before the turn of the century, for example, organizations could assume a relatively stable legal environment. At least the philosophy of the legal system could be assumed to be constant. The manager of an organization could set up relatively mechanistic procedures for updating operations based on changes in the legal environment. The contemporary situation is quite different. For example, more than 26,000 pieces of business-related legislation were introduced in the 89th Congress. During the same period the various states passed 41,000 business-related bills into law. In the State of New York alone, a business firm would have to be aware of over 20,000 laws that could potentially influence its operations.[8] With the vast amount of laws and the number of changes they represent, organizations must be adaptable. Inflexible organizations have difficulty surviving in such a setting.

Growth in Organization Size and Complexity

Organizations of all types are becoming larger and more complex. Antony Jay points out that the fifty largest American corporations have revenues greater than the combined revenues of all the fifty states. General Motors, for example, has greater annual revenues than any single state.[9] Educational institutions too have grown in size. Some state university systems now have enrollments that exceed 100,000 students, and at least one private university (Harvard) has an endowment of over $1 billion.

Increases in organization size are usually accompanied by increases in organization complexity. Business firms that engage in multinational expansion, for example, expose themselves to regulation by other than their domestic legal system. They are therefore forced to deal with new and unfamiliar value systems. The result is an increase in the complexity of their operations.

How large can an organization become before the traditional controls and principles of structural theory are rendered ineffective? For example, how efficient and effective can a structure that is designed for one environment be when it enters another environment that has a different set of ground rules? These are some of the questions that critics of traditional organizations are beginning to ask. And the contingency theory has been put forward as one basic answer. Because it proposes that organizational structure is situational (relative), the contingency view makes adaptability a primary requirement for successful organizations.

Complexity of Modern Technology

Few problems in industry, education, or government can be solved today by drawing exclusively upon the resources and expertise of a single department or group of individuals. Most of the really important problems faced by organizations are *trans-* or *multidisciplinary* in nature. The essence of the modern *systems approach* to management is the recognition that organizations are interrelated units working toward a common goal.

If this is true, organizations must facilitate cooperation among diverse specialists both within and without a single organization.[10] As we saw earlier, some of the technological forecasting techniques used today utilize the expertise of a panel of specialists from a variety of areas to gain insights into the future prospects for a specific industry.

Traditional organizations, which are built on such classical principles as departmentalization, frequently discourage (sometimes prohibit) effective interaction among diverse specialists. Sales personnel are organizationally and geographically isolated from production operations. And research staff members may never have any meaningful interaction with either group. Technology, according to the law of acceleration, is going to become even more complex. Therefore alterations in *attitudes* and probably in the *structure* of collective behavior will be necessary if such organizations are to be successful in the future.

Changes in Managerial Behavior

The evolution of management thought clearly reveals a trend away from the mechanistic assumptions of structural thinking toward a more humanistic orientation. This emerging orientation requires a more systematic understanding of the determinants of human behavior.[11] Specifically, Bennis argues, new concepts of *man, power,* and *organizational values* are required.[12] The new concept of man should reflect our increased knowledge of the complexity of human needs, while the new view of power should be based on cooperation, collaboration, and reason. And organizational values must change to the humanistic-democratic ideal and away from the mechanistic bureaucratic system. These changes, if effected, would require substantial alterations in the behavior of traditionally oriented managers and would ultimately be reflected in the structure of the organizations themselves.

The new concept of Man, for example, would require more emphasis on participation in decision making and a consequent reduction in the centralization of authority. The new concept of power would require essentially the same type of alterations, while increasing the importance of expert knowledge in the decision making process. The restructuring of organizational values would result in less attention being given to achieving operational efficiency according to codified procedures and rules at the expense of the individual.

RESISTANCE TO CHANGE

The process of change is complex because of the interaction throughout the social system of different yet interrelated factors.[13] Technological advances, for example, often carry significant social implications. Consider automation. In many cases the automation of a production process can result in unemployment for production-line workers. Interestingly, however, most people seem more capable of accepting technological than sociological changes.[14]

There seems to be a variety of reasons why human beings tend to resist change. Perhaps it is because we are basically creatures of habit and dislike the uncertainty that changes create. More specifically, it has been suggested that resistance emerges because of *insecurity, economics,* and *sociopsychological* factors.[15]

Human beings tend to become satisfied with the status quo. Insecurity emerges when changes occur. Sometimes this insecurity develops because of economic considerations. Lower level workers fear that automation will result in unemployment. Higher level employees might view alterations as threats to their status and eventually to their economic well-being. For example, physicians might resist the professional acceptance of paramedical personnel for fear that the increased volume of work they could handle might reduce the volume available to other physicians.

Finally, there are the sociopsychological factors, which are based on cultural programming. Educators, for example, often resist education innovations because they have been programmed to accept the traditional methods and techniques of teaching and learning.

In reality, changes occur whether people accept them or not.[16] Kurt Lewin provides an interesting analysis which argues that even the status quo is a *dynamic* rather than a static concept.[17] All established procedures and processes are constantly subjected to *driving forces* that are working to bring about change. At the same time there are *restraining forces* attempting to keep things as they are. The situation that exists is what Lewin calls a *quasi-stationary equilibrium,* which can be changed at any time.

Consider the Breakstone Answering Service Company's plan to introduce a new wage incentive program. The present one, which has been in operation for five years, has been generally satisfactory to most employees. The maintenance crews, however, have recently become dissatisfied and actively sought to initiate changes. They represent the driving forces. The personnel department, on the other hand, has been extremely resistant to any alteration in the wage incentive program. It represents the restraining forces. The compromise of these forces which has existed over the years is the quasi-stationary equilibrium. It has at times been close to change and at other times firmly entrenched. In other areas resistance to change has been no less obvious. For example, in a study of the resistance of elementary schoolteachers to the use of audiovisual aids by Gerhard Eichhloz and Everett Rogers (*Innovations in Education,* edited by Mathew Miles), several factors were itemized as accounting for the tendency not to change.

1. *Resistance because of ignorance.* Often concerned individuals simply are not aware of the changes taking place. A businessman, for

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example, may continue to use a certain production process because he is unaware of a better method.

2. *Resistance by default.* Sometimes a businessman may reject a change, even though he is aware of another technique, with little justification except the obvious desire not to use a new method.

3. *Resistance on the basis of the status quo.* Here a change is not adopted because it has not been used in the past.

4. *Resistance because of social reasons.* A manager may refuse to change because of a feeling that the "society" within and outside the organization will not accept it.

5. *Resistance on the basis of interpersonal relations.* Because friends and associates have not accepted the change, the businessman does not.

6. *Resistance through substitution.* Another process or technique is selected in favor of the proposed change.

7. *Resistance by fulfillment.* A businessman rejects a change because he knows what is best, thus making change unnecessary.

8. *Resistance because of experience.* A businessman rejects a change when he tries it but does not like it.

9. *Resistance through incorrect logic.* A businessman may reject a change on logical grounds without using well-founded reasons.

Although those points were developed in a study of teachers, it is not difficult to see that they can be operative in all types of organizations.

TYPES OF ORGANIZATIONAL CHANGE

Changes that take place in organizations are of two types. They may be random, or *haphazard.* They simply occur, and no effort is made to prepare for them only to deal with factors as they develop. Changes may also be *planned.* These are the result of any attempts to adjust organizational operations, where the actions are conscious, deliberate, and intended on the part of one or more "agents" who seek to promote the changes.[18]

It will be conceded initially that much of the change in and out of organizations is unplanned. Technology, for example, is ever changing and rarely planned by a single manager. The same is true of worker attitudes, social expectations, and legislation. Quite often changes in these areas are not dysfunctional and may even present unique opportunities and challenges for persons with managerial responsibilities.

The point is, however, that when a manager wishes to capitalize on even unplanned changes, a systematic approach is required. A manager, for example, may recognize that several new recruits "fresh" out of college seem to have attitudes that are different from those displayed by the previous generation. The manager at this point may simply deny this new reality and continue to operate as before. In doing so, it is likely that the new employees will become unhappy and the organization will lose the benefit of new ideas. On the other hand, the manager might plan systematically to orient new employees into the philosophy of the firm and initiate new means of allowing recruits to accomplish their own goals while making an organizational contribution. In this manner random action is minimized and an orderly approach is taken to dealing with change. Like other organizational approaches, the systematic approach appears compelling, where the actions are conscious, deliberate, and intended on the part of one or more "agents" who seek to promote the changes.

NATURE OF PLANNED CHANGE

Since planned change is a *deliberate* attempt to introduce alterations in an organizational system, it can be considered a process, as illustrated in Figure 16-1. This particular sequence of events, of the many that have been proposed, is most general in its application.[19] And we will discuss briefly each step in this process.

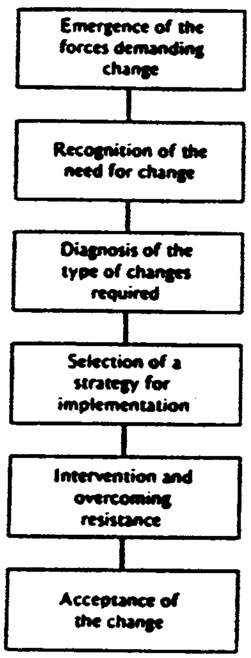

Figure 16-1 One Process of Planned Organizational Change

Emergence of Forces Demanding Change

The forces demanding change may originate inside or outside of the organization. Internal forces can result for various reasons, for example, from decreasing performance levels caused by such things as labor turnover, absenteeism, interdepartmental conflict, and so on. External forces can be familiar forces, such as technological innovation, government regulations, and changing social attitudes. Antipollution legislation, for example, has caused numerous firms to initiate change programs designed to comply with the regulations. And recent economic developments, such as inflation and energy shortages, may demand substantial alterations.

Recognition of the Need for Change

The *imperative* of change may be recognized in a variety of ways by managers or outside consultants who are brought into organizations for the purpose of effecting alterations. Sometimes recognition comes through the analysis of performance reports originating from the controlling function. At other times recognition may simply come as a stroke of luck whereby a perceptive manager anticipates some impending force that will necessitate change.

Diagnosis of Required Change

Once the forces of change are recognized, efforts must be made to determine the types of *actions* the change program will require. For example, a governmental decree that all automobiles must be equipped with specific types of safety equipment or that all organizations must adhere to certain employee safety standards requires considerable analysis.

Another example, the Occupational Safety and Health Act (OSHA), which was passed into law in December 1970, has required a variety of actions by the affected organizations. From the beginning it was obvious that the Department of Labor would have tremendous problems enforcing the act.[20] In analyzing the alternatives, some managers decided to wait and see and hope that their organizations would not be inspected. Others attempted, as best they could, to comply with the standards and requirements of the act.

Selection of a Strategy

Once the decision is made to implement a change, the manager or outside consultant must decide on one or more *strategies* to use in effecting the alteration. Although various authors classify the available strategies differently, three general categories seem to be inclusive of the more important implementation alternatives.[21]

Force. Perhaps the most simple strategy is the *force* approach. The manager responsible for implementing the change requires that employees adhere to the rules established for the implementation. This approach is fast but rarely acquires the total commitment necessary for successful long-term change.

Suppose the manager of a production firm comes into his office one morning to find that an enforcement officer from the Department of Labor's Occupational Safety and Health Division has submitted his report and found five serious violations during his inspection of the company. The report specifies that these conditions *must* be corrected immediately. The manager's course of action at this point is clear. Without consultation or advice the manager orders that action be taken. A change has been imposed on him that requires immediate response. Thus, he uses legitimate authority and forces a solution.

Self-interest. The *self-interest,* or *persuasive,* strategy recognizes that individuals are motivated primarily by their own self-interest. The manager, therefore, proceeds to show organization members how it is to their personal advantage to alter their behavior. When successful, this approach is fast, efficient, and long lasting.[22] Unfortunately, most changes do not carry favorable effects for everyone so that this approach may have appeal to only certain segments of the organization.

Consider the case of the public official who is faced with the responsibility of enforcing pollution guidelines imposed on local industry. Although she could simply force them by law, she chooses to show businessmen how new equipment designed to reduce the emission level also increases efficiency. Therefore, the official develops data to illustrate how the purchase of new equipment will rapidly return the investment and reduce pollution at the same time. In other words, it is to be argued that the new equipment is a good investment in monetary terms and the "rational" thing to do.

Education. The third alternative, the *training* or educational strategy, does not deny the self-interest motivation. It does, however, recognize that when no *evident* advantage exists, value systems may be changed through training so that the alterations are more acceptable. Since information transfer is necessary for a successful change attempt, this educative element is likely to be part of all change attempts. It has the advantage of developing commitment to the plan but requires a long period to accomplish.

To assist in comparing the alternative strategies, a check list of advantages is given in Table 16-1. It can easily be seen that where appropriate the self-interest appeal provides the greatest advantage.

TABLE 16-1

Check List Comparing the Advantages of Alternative Change Strategies

Advantages	Strategies		
	Force	Self-Interest	Education
Speed	x	x	
Commitment		x	x
Ease of implementation	x	x	
Minimization of resistance		x	x

Intervention and Overcoming Resistance

In reality, it should be recognized that most comprehensive change programs involve the utilization of more than a single strategy.[23] Assume, for example, that a manager is faced with implementing a decision to add a third shift at a production facility in a firm. He or she might begin by observing that higher management has required the action and starts operations immediately. In doing so, force is applied. In order to minimize resistance, however, various actions are taken, as shown in Figure 16-2. First, employees may be asked to *participate* in working out the

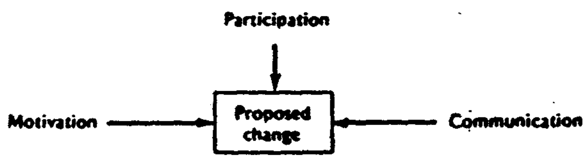

Figure 16-2 Elements of a Comprehensive Change Effort

details of the transition. Through participation, workers may feel more a part of the decision and begin to identify some self-interest in the change. This aspect may be further developed by providing *motivation*, perhaps in the form of higher pay for those working the third shift. The manager may also reduce resistance by informing employees of the factors necessitating the change. In this manner, *communication* (educative information) is provided to justify the decision. In this example, participation, motivation, and communication become interrelated elements in the effective change program. The intervention of a manager (or consultant) is thus designed to increase the likelihood of reducing resistance and ensuring the successful implementation of the program.

Acceptance of Change

If the change agent accurately identifies the proper strategy or strategies to use in a particular situation, organizational members are more likely to be receptive to the implementation of the change. As an effective user of behavioral science concepts, the agent will be careful to ensure that an adequate opportunity for participation has been offered, that the change concept has been communicated to employees, and that incentives have been offered for the acceptance of the required alterations. Like any other motivational program, care must be taken to utilize the current strategy or strategies in accord with the unique needs and situations faced by every organization and group.

USING MANAGEMENT KNOWLEDGE

Managers as Agents of Change

When we defined planned change we emphasized that it was a deliberate attempt by one or more agents seeking to promote the alteration. Often such a change agent is thought of as an outside consultant who comes into the organization, or *client system*, and in association with the insiders attempts to apply expert knowledge to the problem(s) under examination.[24] This, to be sure, is a valid concept of an agent of change.

It is important to recognize, however, that managers, in performing their administrative roles, must constantly serve as change agents and assist in overcoming resistance to necessary alterations.[25] In this respect, managers share a number of characteristics with outside professionals.

For example, those who are charged with the responsibility for implementing change assume that the goal is *organizational effectiveness* and that the primary means for accomplishing this end is to change human behavior. They may function as trainers, consultants, counselors, or managers.[26] When managers assume such roles, it is important to recognize that the functions performed are as important as the other management tasks—planning, organizing, controlling. When changes are effected, regardless of the agent involved, expert knowledge is applied to the practical problems of organizational change.

Knowledge Flow System

When managers of organizations serve as change agents, the realities of organizational life are easily, perhaps automatically, incorporated into the change effort. When outsiders are "brought in," which is frequently the case, various problems are likely to develop in attempting to transfer sound management theory to practical decision making.

It has been argued that the transfer of management theory to practice can be visualized as a macrocommunication system.[27] If the knowledge generated at the research or theory stage is to be used for practical purposes by managers, the managers must be made aware of or utilize experts familiar with the expanding management knowledge. This is basically the problem of *knowledge flow,* or the transfer of theory to practice. Figure 16-3 provides a diagram of this process.

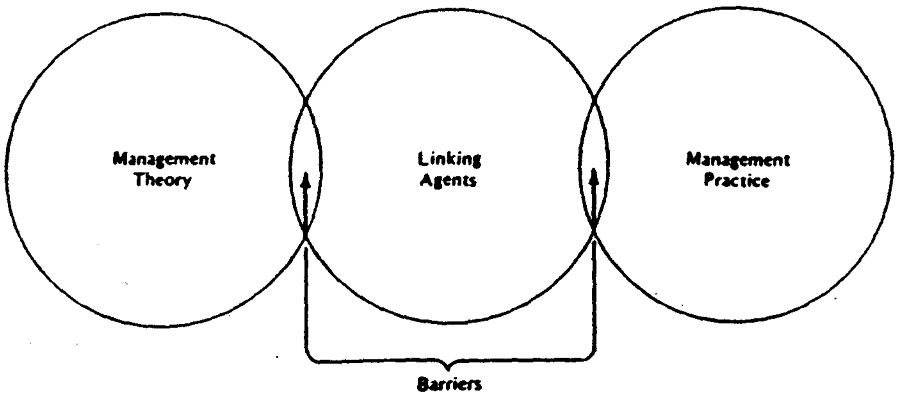

Figure 16-3 Knowledge Flow System

Source: Adapted from Ronald G. Havelock, *Planning for Innovation* (Ann Arbor, Mich.: Institute for Social Research, University of Michigan, 1969).

As new knowledge develops through research, forces are activated to apply, at some future date, the newly developed concepts to real-world problems. Implementation is facilitated by individuals or organizations who attempt to *link* the theory and the practice. This is the point at which the agent of change becomes important. The difficulty associated with the linking occurs because researchers and managers sometimes view their functions as independent of each other, although they may desire meaningful interaction.[28] Even when cooperation and understanding exist, differences in researcher-practitioner attitudes and value systems may present problems.

Potential Problem Areas

A recent survey has proposed that managers and researchers do generally agree on many of the requirements for the effective transfer of theory to a form in which it may be ultimately utilized.[29] However, substantial disagreement was noted with respect to certain philosophical aspects of the problem. For example, managers and researchers generally disagreed on where management knowledge actually originates. Obviously, until the origin of new concepts and practices is recognized, there is little hope in effectively transferring the knowledge. Disagreement also existed about what criteria should be applied in deciding when theory is actually worthy of utilization by managers. There is, however, one relatively new technique that shows signs of assisting a supportive relationship between the two groups. This concept is known as *organizational development.*

NATURE OF ORGANIZATIONAL DEVELOPMENT

Organizational development (OD) has been defined as a *process designed to increase organizational effectiveness by integrating the desires of individuals for growth and development with organizational goals.*[30] Bennis provides further insights by referring to it as a *complex educational strategy* used as a response to change which is designed to alter beliefs, attitudes, values, and structures of organizations to enable them to adapt to alterations.[31]

Organizational Development versus Management Development

Organizational development represents a major departure from more conventional methods of management development and training. To gain greater insight into OD, we will compare it with the more traditional concept of *management development.* OD is an attempt to *change the total system* and restructure it in line with the individuals within the system. Management development accepts the existing structure and its policies and rules and attempts to *change the individual supervisors* to make them more effective in accomplishing goals within that framework.[32] Warner Burke and Warren Schmidt carefully itemize several areas where the two concepts differ. We will look at a few of the more important ones.[33]

Objectives. It can be said that the primary purpose of management development is to equip managers to contribute their potential to the accomplishment of organizational goals. This objective is accomplished through all the familiar methods used in organizations. One of the most frequent is to encourage businessmen to participate in continuing education and familiarize themselves with developing concepts and techniques of the behavioral sciences and systematic decision theory. OD, on the other hand, seeks to alter the nature of the organization itself.

Sensitivity Training

Sensitivity training is a laboratory technique sometimes referred to as T-Group training. This technique is associated with OD, and Bennis states that the T-Group is the basic "strategy of intervention" in efforts to alter organizations.[37]

The goals of sensitivity training are numerous and varied, and the more commonly recognized ones are:

1. *Self-awareness and sensitivity to others.* This involves building a person's competence as a manager and group member by making him or her more familiar with his or her own attitudes and emotions as well as those of others.
2. *Learning from experience.* T-Groups are often designed to assist members in perceiving and learning from the consequences of their behavior.
3. *Role awareness.* Sensitivity training attempts to provide individuals with an understanding of their roles within an organization and their relationship with others.
4. *Diagnosing change.* This technique attempts to assist organizations in diagnosing, defining, and working toward problem solving in groups rather than with individuals acting alone.[38]

The conduct of a sensitivity training program is also subject to variation. The group may be composed of a collection of "cousins," that is, of people who work in the same organization but who do not work directly with one another. Or, they may be "family" groups, that is, individuals who work with one another such as a supervisor and his or her work group.

One of the more familiar approaches is to assemble a group of "strangers" who participate in a program sponsored by an organization such as the National Training Laboratories. This organization's sessions are often conducted in places that are geographically separated from the work place. When the strangers come together for a weekend or longer period, emphasis is placed on teaching them to become more sensitive to others. Sensitivity, or awareness, training has been used to a limited extent in dealing with the increased number of hard-core unemployed coming into business firms through affirmative action programs. Some companies have encouraged supervisors to attend sessions designed to make them more aware of the problems of the hard core. Exercises are developed whereby managers actually assume the roles of the hard-core worker, and situations are created to show supervisors "how it feels" to be in the other person's place. Increased sensitivity is gained when both parties voice their attitudes and relate them to such things as family value systems, environmental backgrounds, and similar factors.

Regardless of the composition of the group, session formats usually follow a standardized pattern. First, leadership and formality are minimized so that participants interact. Next, the leader (trainer) begins to exert influence by expressing his or her own feelings with a low degree of evaluation. Feedback among participants is encouraged. In the third phase, interaction is in full gear, and interpersonal relations develop. Finally, the group, with the trainer's assistance, attempts to relate the group experiences to real-life problems.[39] Contrary to the criticisms of some, this is *not* manipulative brainwashing or psychoanalysis.[40]

From a practical point of view, there seems to be no overwhelming evidence that laboratory techniques such as sensitivity training actually change a person's self-awareness, sensitivity to others, or attitudes and beliefs.[41] Individuals who participate in these sessions do seem more open in their relations with others, which suggests that such techniques do have some value in organizational development. If one is to maximize the values of T-Group sessions, care must be taken in selecting participants. Generally, these people should be relatively free from internal conflicts, have *strong* egos, and have defenses that are low enough to allow for effective interaction.[42]

Organization Task Laboratory

The organization task laboratory (OTL), like sensitivity training, is a laboratory technique. The basic component of the technique is a small group composed of between five and fifteen people. In the OTL, representative management situations and decisions are created with the hope of allowing managers and the work group to experience and learn about the following:

1. *Recognition of conflict.* Emphasis is placed on how managers can work more effectively with his or her group and other managers so as to increase individual and goal accomplishment.
2. *Reconsideration of established practices.* Participants are encouraged to examine their own behavioral styles and those of others.
3. *Formulation of explicit goals.* The OTL stresses the importance of explicit, clear objectives and their advantages over vague guidelines.
4. *Experimentation.* Groups are designed to assist participants in experimentation and innovation and the development of means to evaluate the consequences of creative action.[43]

Compared with sensitivity training, OTL places more emphasis on task-oriented team experience and less on self-awareness and sensitivity in interpersonal relations. Essentially, the OTL places emphasis on group problem solving. Members of various units come together not so much to become sensitive to one another, although this may well happen, as to utilize group processes in formulating goals and experimenting with innovative ways of accomplishing them. As we noted in Chapter Seven, groups are often capable of stimulating individual behavior in positive or functional directions. OTL is one attempt to make the most of the group problem solving concept.

Transactional Analysis

In 1964, a well-known psychiatrist, Eric Berne, wrote a book entitled *Games People Play;* Thomas Harris later followed with *I'm OK—You're OK*. Both authors utilized *transactional analysis* (TA) as a means of improving relationships between individuals. In transactional analysis an attempt is made to analyze the social interchange (transaction) among people with the objective of *understanding* and eventually improving interpersonal relations.

According to Berne, an individual has three *ego states:* parent, child, and adult. When the *parent* state is exhibited, a person is responding to a situation in a parental nature. This ego state is said to be *directly active* when the individual acts as his or her own parent has acted in the past. The parent state is *indirectly active* when the individual responds as he or she would have wished the parent to respond. For example, an authority-oriented supervisor who tells an employee to do something "because I said to" is responding as a parent.

The *adult* state is displayed when a person acts in an autonomous, objective, and logical manner. A decision maker acts in this way when he or she calculates the pros and cons of a situation, logically selects an alternative course of action, and attempts to implement the decision in a mature manner.

The *child,* as the name implies, responds in an immature manner. The *adaptive* child acts as he or she perceives the parent would want them to respond. The *natural* child responds spontaneously by rebelling or in some other manner. The bureaucrat who "does what he is told" without thinking responds as an adaptive child. The employee who immediately rebels against a new rule without analyzing it displays the natural child state.

In each relationship, one of the ego states dominates behavior. When a person, through transactional analysis, learns to perceive the state of himself or herself and others, relations can be better understood and the transaction improved. Consider the following hypothetical transaction between a supervisor and employee:

Supervisor: After reviewing your performance records, I see that your output has fallen for the past three months. Continued reduction in performance will make it necessary to terminate your employment.
Employee: At last your true thoughts about me come through! You have been looking for an excuse to get me! Now you are using performance records.

Assuming that we have all the information about the situation, it would appear that the supervisor acted in a logical, adult way, using supporting information and stating facts. The employee, however, emotionally responded as a child.

As an OD technique, transactional analysis encourages organizational members to act more as adults and less as children or parents, thereby making them more flexible to change and capable of responding in a mature manner.[44] To date, a number of companies (for example, American Airlines, Bank of America, and Westinghouse) have exposed their executives and managers to TA. According to Dr. Hedges Capers of the San Diego Institute of Transactional Analysis, numerous organizations have found that this method can actually make money. Employees, for example, develop respect for others and cultivate good customer relations. One advantage in particular is said to be that TA carries implications beyond organizational boundaries. Employees take it "home" and develop better relationships with their families.[45]

Confrontation Meetings

The organizational *confrontation meeting* is a technique designed to mobilize the resources of the organization toward problem identification, the establishment of priorities and goals, and an action plan for accomplishing them.[46] This concept of OD is frequently used when an organization faces a crisis such as a major reorganization or massive personnel changes. The process, or format, is reasonably well defined. A group is informed of the problem and assigned the task of identifying the problems facing the organization. Heterogeneous groups (with representation from various functional areas) are then assigned and asked in an honest and open way to identify organizational problems. The groups then come back together as a larger group and each segment reports its list of problems and may propose solutions. The leader (change agent) then classifies the problems, and the larger group is broken down into homogeneous segments. Marketing personnel, for example, are assigned marketing problems; financial managers get the financial problems, and so on. The groups then establish priorities and suggest solutions or plans of action. The groups periodically report their progress and receive feedback from other units. Less periodic meetings are then scheduled to keep all areas of the organization informed about the progress being made.[47]

The confrontation meeting technique appears to be particularly valuable in bringing the total resources of an organization to bear on the solution of common problems. And it provides employees with a feeling of participation in the problem solving operation.

MBO

When we dealt with MBO as a partial philosophy of management, we noted that it can be useful in integrating organizational and individual objectives. Because of this, it has become closely associated with OD.

Conceptually, MBO integrates individual and organizational goals by encouraging participation in the goal formation process and in developing action plans and evaluating by results.[48] Therefore, some argue that the proper implementation of either OD or MBO necessarily results in the implementation of the other.[49] There does seem to be a close relationship between the two concepts, although they do not seem to always relate directly to one another.

Grid Development

Another technique that has become closely associated with organizational development is the *managerial grid*, developed by Robert Blake and Jane Mouton. The developers frequently refer to the grid as "operation bootstrap" because the concept is designed to lift up the entire organization to maximum production and profits.[50]

The managerial grid acquired its name from the graphic representation of the concept, as illustrated in Figure 16-4. The two-dimensional diagram (grid) measures an individual's *concern for production* (task orientation) and *concern for people* (employee orientation).

Using the grid, Blake and Mouton are able to itemize various positions that an individual might assume with regard to his or her orientation toward production and people.[51] The first position, beginning in the lower left corner, is described by the ordered pair (1,1). This position is considered the least desirable of all because a person located at this point displays a minimum concern for production and for people.

Moving to the upper left corner we come to the (1,9) position, where there is a high concern for people and a minimum concern for production. In a case such as this the manager surrenders control to the group and places a disproportionate emphasis on maintaining harmony and relatively little on production considerations.

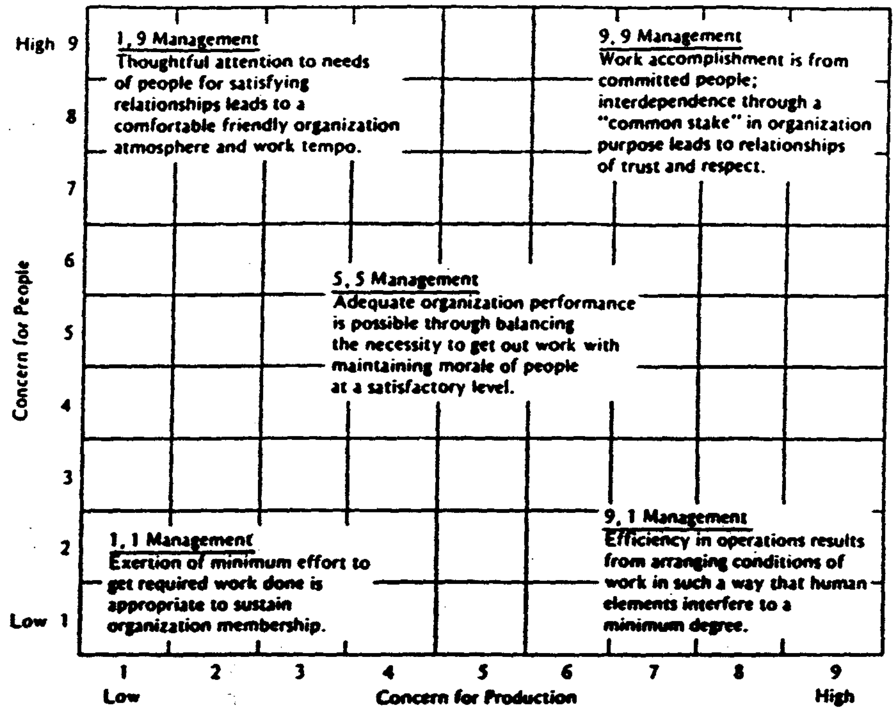

Figure 16-4 Managerial Grid

Source: Adapted from R. R. Blake and J. S. Mouton, *The Managerial Grid* (Houston, Texas: Gulf Publishing Company), p. 10.

The (9,1) position is just the opposite—little consideration is given to people while maximum concern is directed toward the task or production. This is commonly associated with an autocratic approach to supervision.

At the center of the grid (5,5) is the middle-of-the-road manager who displays only moderate concern for production and people. Emphasis is placed on compromising the demands of the task and the people.

Finally, in the upper right corner is the ultimately desirable position (9,9) where maximum concern is revealed for people and production. This type of manager views people and production as complementary

Robert Blake and Jane Mouton: Managerial Grid

Robert R. Blake, born in 1918, is president of Scientific Methods, Inc., and a former professor at the University of Texas. He has been a leader in the application of behavioral science knowledge to the problems of organizations. He has served as a lecturer at Harvard University and the University of Reading in England where he served as a Fulbright Scholar.

Jane Srygley Mouton, born in 1930, is a social psychologist and a former member of the faculties at the University of Texas and Florida State University. She presently is vice-president of Scientific Methods, Inc. She and Dr. Blake were instrumental in the development of the managerial grid.

rather than conflicting or competing concerns and attempts to accomplish organizational goals through the development of mutual trust and respect within the group he or she supervises.[52]

In practice, the grid is only a technique used in effecting organizational change. Usually a change program begins with participants taking a test that places them on the grid in one of the locations. This is done for self-reflection only so a person can understand how he or she personally rates on the grid.

After each participant becomes aware of his own orientation, a seminar is initiated, with the individuals divided into heterogeneous groups representing different specialties and organizational levels.[53] At this point important behavioral concepts are introduced. The next step is directed toward *team development* and begins with top level executives. Participants function as superiors and subordinates. *Intergroup problems* are the next to be analyzed, and organizational members such as department heads who have responsibility for group cooperation and coordinates are involved. Methods of improving interaction are developed.

The insights developed to this point are then applied to the formulation of a *strategic model:* goals are specified, structures are developed, customers and markets operationally defined, and policies formulated to guide decision making. Finally, an *implementation plan* is devised that takes into account the uniqueness of the firm and the industry. Review and reevaluation are also recognized as important aspects of the program.

Some impressive experiences have been reported in the use of the grid technique. One study illustrated how the grid program had resulted in several millions of dollars of cost savings, in production increases, and in better intergroup relations.[54] At one point, the grid approach was being used by over 160 of *Fortune*'s top 500 companies.[55]

ORGANIZATIONAL DEVELOPMENT IN PERSPECTIVE

The discussion of OD techniques was intentionally broad and descriptive. The objective was to acquaint prospective managers with selected techniques, not to train individuals as OD specialists. Although numerous success stories have been associated with all the OD techniques discussed, it is important to note that only qualified personnel should use them. The same techniques which may prove useful in the hands of qualified persons can be dangerous when used improperly.

There seems to be a tendency on the part of many practitioners to become overly impressed with a single technique. At one time a technique such as sensitivity training comes into vogue, and everyone rushes to use it. Then, some other approach, maybe confrontation meetings, captures the attention of behavioral scientists and managers. The fact is that OD techniques, like the strategies of planned change, must frequently be used in combination with one another.[84]

As organizations develop they change, as do the individuals within them. And it is ironic that the individuals who function as agents of change sometimes become inflexible in their approach to OD. Thus, it is always important to be aware of and understand the advantages and disadvantages of the techniques available and the unique aspects of the organization to be altered. With that kind of overview the correct technique or combination of techniques is more likely to be selected.

It is especially important to recognize that major organizational alterations take time. They do not take place overnight. Sometimes periods of five years or more are required to see a change program through to its completion. Obviously, this requires considerable commitment on the part of the organization's management if OD programs are to be successful.

SUMMARY

The traditional model of bureaucracy is the one most frequently encountered in today's organizational society. The primary reason for its popularity is its capability for developing efficient operations. But the bureaucracy is not easily adaptable to change. The environments of organizations require that successful organizations be not only efficient but adaptive as well, although adaptability is not always easy to achieve. There is considerable evidence to suggest that a certain amount of *resistance to change* is inherent in human behavior.

Therefore, *planned,* or deliberate and conscious, changes are necessary for organizational survival. Managers must learn to function as *agents of change* or at least familiarize themselves with the process of change so that the services of outside consultants can be effectively utilized.

Several *change strategies* are available to an agent of change when he or she attempts to apply behavioral knowledge to practical problems. The agent may use the rational approach and emphasize the *self-interest* advantage in accepting change. Or, *educative techniques* may be used to inform concerned individuals about the reasons why alterations are necessary. Finally, organizational members may be *forced* to change. Each strategy has its own advantages and disadvantages. However, it is generally conceded that force should be minimized because of its inability to effect long-run attitude changes. In reality, comprehensive planned change programs are a combination of all three strategies.

One popular technique of planned change is *organizational development* (OD), which employs such techniques as sensitivity training, transactional analysis, confrontation meetings, and so on. OD represents a major departure from more conventional methods of management training and development because it concentrates on altering entire organizational systems rather than individual supervisors.