

1

Introduction

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Organization development (OD) has grown enormously since its inception more than 50 years ago. Driven by organizations' increasing needs to adapt to rapidly changing environments and to manage change almost continuously, OD has spawned diverse approaches and methods. From its origins in helping organizations cope with internal social problems, OD has expanded to address more strategic issues of how firms structure and manage themselves for competitive advantage in a rapidly changing global environment. OD applications have moved beyond interpersonal relations and group dynamics to such varied perspectives as sociotechnical systems, global management, organization design, human resource management, corporate strategy, and knowledge management. Similarly, OD's humanistic values have been augmented with economic interests and societal concerns about environmental sustainability, employee welfare, and corporate governance.

Although this extraordinary growth attests to OD's robustness and practical success, the field is far more diffuse and complex today than it was just a few decades ago. Many of the new methods and perspectives have emerged from disciplines far removed from the psychological origins of OD, including anthropology, business administration, economics, engineering, industrial relations, international relations, and sociology. This diversity makes it hard to define the boundaries of the field and to keep abreast of significant developments. Moreover, many of these newer approaches have evolved independently of each other, with little attention to how they fit with existing methods or relate to one other. This makes it difficult to accumulate wisdom in the field and to develop a coherent knowledge base to guide practice and research.

This handbook maps the broad terrain of OD from multiple viewpoints. It seeks to explain what is currently known, what new

developments are occurring, and how different methods and approaches are related. The contributors were chosen to represent the key perspectives in OD. They include prominent scholars and practitioners who have unique insights about the field and understand its evolution and challenges. The chapters are not exhaustive summaries of all the relevant literature and research but emphasize basic knowledge and how it applies to the problems facing contemporary organizations and to how OD is conceptualized and practiced.

The handbook is organized into four parts that flow from an overview of the field, to the process through which OD is applied in organizations, to specific interventions and change approaches, and finally to special applications of OD. These parts are meant to broadly organize the contributions, and there is some overlap and interaction across them.

Part I presents an overview of OD. It addresses the nature of the field and provides contemporary and historical perspectives. In Chapter 2, W. Warner Burke provides a comprehensive review of the OD field. He takes stock of where the field stands today while reviewing its definitions, its content, and the education of practitioners. Burke contrasts OD to other forms of planned change and identifies its unique features. He describes OD's success to date yet raises a troubling paradox for its future: Given the growing need for organizations to manage change, why is OD less prolific and important than it should be? This question is a recurrent theme in this volume, and contributors offer a range of answers and promising solutions.

In Chapter 3, Edgar H. Schein reflects on the concepts and research findings that have shaped his thinking and practice of OD, from the 1940s to today. Schein provides a fascinating picture of OD's progress by recounting his own development as a scholar and practitioner. He describes how his intellectual curiosity, personal experiences, and research all contributed to OD concepts and approaches that he helped introduce to the field: "organizational psychology," "coercive persuasion,"

"career anchors," "process consultation," and "organization culture."

Chris Argyris explains his learning approach to OD in Chapter 4, a perspective that underlies much current thinking about the field. He proposes that learning—the correction and detection of error—is fundamental for successful OD and change. Learning is effective when organization members engage in productive reasoning that promotes free and informed choice, learning as a key objective, and acknowledgment of personal causal responsibility. Unfortunately, as Argyris so vividly describes, learning usually is ineffective in organizations, especially when members deal with problems that are difficult, embarrassing, or threatening. In these situations, members revert to defensive reasoning, resulting in counterproductive behaviors that resist the transparency and open inquiry needed for effective learning. Argyris argues that OD practitioners may inadvertently reinforce such defensive behaviors, and he presents specific steps to reduce this problem and facilitate learning.

In Chapter 5, Robert E. Quinn and Scott Sonenshein examine traditional strategies for changing people and organizations and present a new approach based on self-transcendence of the change agent. They show that existing strategies for change—empirical-rational, power-coercive, and normative-reeducative—all have potential limitations that can thwart meaningful change, particularly when people are deeply committed to the status quo. Quinn and Sonenshein propose a new yet more demanding approach in which change agents study their own integrity gaps and commit to a higher purpose. This helps them transcend their self-interests and become more purpose centered and other focused. Quinn and Sonenshein argue that this transforming change strategy can be directed outward to the whole organization. It can help change agents engage members in analyzing the organization, clarifying a common vision, and committing to move in that direction. It can produce a more productive organization that

is more closely tied to external reality and the needs and aspirations of members.

Manfred Kets de Vries and Katharina Balazs provide a clinical orientation to OD in Chapter 6. It is based on concepts from psychoanalytical theory, development psychology, neurology, family system theory, and cognition. They describe the irrational or latent processes underlying organization dynamics and show how they can be surfaced, understood, and addressed. This perspective adds depth to the traditional approaches to OD, which mainly focus on observable behaviors and processes. It can help organizations deal with the deeply entrenched causes of their problems.

Part II addresses the OD process. It includes perspectives on how OD is carried out in organizations, from diagnosis to implementation to assessment. In Chapter 7, David W. Jamieson and Christopher G. Worley present an overview of how OD is practiced. They review current debates that affect choices about practice, including definitions and conceptualizations of OD, credentialing and education of practitioners, and OD effectiveness. Based on these discussions, Jamieson and Worley provide an integrative theory that views OD practice as a process involving both science and art. They explain how the OD process is designed and managed; how it involves learning cycles that are punctuated by varying forms of support, inertia, and resistance; and how learning can produce change that both develops people and improves organization performance.

Kate Louise McArdle and Peter Reason discuss the key role that action research plays in developing people and organizations in Chapter 8. Action research has long been a cornerstone of OD practice. It is a highly participative and collaborative process that enables participants to gain practical knowledge to improve their organization by trying to change it and assessing the results. Reason and McArdle argue persuasively that this cyclical process of action and critical reflection can be both developmental and liberating. It encourages continual inquiry and improvement while

enabling members to create their own knowledge of how things work and can be changed. Reason and McArdle describe different variants of action research and show how this form of inquiry can be applied at multiple levels, including the individual, group, organization, and society.

In Chapter 9, Craig C. Lundberg describes diagnosis as an essential step in the OD process. It involves collecting and analyzing information about the organization to understand how it is functioning or to identify and clarify problems. Because diagnosis is intended to inform the creation of appropriate interventions to improve the organization, it must provide an accurate and useful picture of the situation. Lundberg shows that how diagnosis is conceived and practiced in OD is highly variable, with questionable results. He argues that diagnosis is essentially a “sense-making” process guided by preexisting frames or mindsets that determine what and how information is collected and from whom. Lundberg questions whether the frames that have traditionally guided diagnosis can accurately capture how organizations function in today’s rapidly changing and complex environments. He describes several challenges that future OD diagnosis must overcome if it is to keep pace with the realities it is trying to assess.

In Chapter 10, Jean M. Bartunek, John R. Austin, and Myeong-Gu Seo discuss the intervention phase in the OD process, which typically follows and is based on diagnosis. It involves the design and implementation of particular change programs aimed at solving problems and improving the organization. The authors first differentiate between the process of intervening and the content of particular interventions. They then provide conceptual clarity to the myriad interventions used in OD by explaining them in terms of the “motors of change” or mechanisms through which they produce results. Bartunek, Austin, and Seo describe three overlapping generations of OD interventions and show how the application, meaning, and combination of their motors of

change have evolved over time. They show that interventions that appear different often share underlying change mechanisms. Such understanding is essential in combining interventions correctly to fit their implementation contexts.

J. Richard Hackman and Amy C. Edmondson explain in Chapter 11 how groups can serve as powerful agents of change in organizations. They show how groups can be used as both diagnostic and intervention tools in OD. Hackman and Edmondson describe different types of diagnostic teams and tasks. They discuss how groups can intervene to change individuals, to improve work and organization processes, and to lead organization change efforts. Based on extensive research, Hackman and Edmondson identify what it takes to use groups as agents of change in OD.

Richard W. Woodman, John B. Bingham, and Feirong Yuan address the final stage of the OD process in Chapter 12, the often difficult and complex process of evaluating OD interventions. They show how evaluation can play a valuable role in implementing interventions and assessing their overall effectiveness. Woodman, Bingham, and Yuan identify technical and sociopolitical impediments to effective evaluation. They describe major types of OD evaluation and their respective settings and methods. Exemplar studies are presented to show how the different approaches are applied. Woodman, Bingham, and Yuan conclude with valuable suggestions for how OD evaluation can be improved to contribute better to development of intervention theory and the application of actionable knowledge.

Part III presents major OD interventions used in organizations today. In many ways, these change programs are the core of OD. They help to define the field by providing concrete descriptions of OD in action. OD interventions focus on the issues organizations need to address to be effective; they are the key targets that OD seeks to change to improve the organization. The contributions in this part are organized broadly

around four major change targets: human process interventions, technostuctural interventions, human resource management interventions, and strategic interventions.

Human process interventions involve social processes occurring among organization members. They address issues related to communication, decision making, interpersonal relations, and group dynamics. These change programs are the oldest and most enduring in the field and represent to many of us the heart of OD. In Chapter 13, Peter B. Vaill explains the fundamental role of social process in OD and change. He traces its history in the social sciences and provides a working definition of what social process is all about. Vaill makes a strong case that understanding and working with social process, what he calls "process wisdom," is the principal skill of OD practitioners and the field's major contribution to organization change. He outlines numerous benefits that derive from process wisdom and identifies barriers or threats to applying it in organizations. Vaill speculates how OD's understanding and application of social process can be enhanced.

In Chapter 14, R. Wayne Boss and Mark L. McConkie discuss team building, probably the most popular human process intervention in organizations today. They describe the roots of team building and identify its different approaches and methods. Boss and McConkie review the research about team building and its effectiveness. They present guidelines for making team building work better and provide remedies for the common problem of regression, by which teams gradually revert to old habits and poor performance after participating in this change program. Boss and McConkie discuss the special team-building needs of virtual teams, whose members do not work together face to face. They go on to distinguish team building from other team interventions and to identify problems that continue to plague team building.

In Chapter 15, Ronald E. Purser and Thomas J. Griffin describe large group interventions (LGIs),

a new and rapidly growing form of human process intervention. LGIs typically bring together for short time periods large numbers of organization members to engage in real-time problem solving, visioning, and planning for large-scale change. Purser and Griffin review the theory and assumptions underlying LGIs, a combination of group dynamics, systems thinking, participative management, and social construction. They identify variants of this approach to change, focusing on the search conference and the appreciative inquiry summit. Purser and Griffin suggest new directions for LGIs and propose that they should help organizations treat the future as a unique temporal dynamic, not simply a projection from current visions.

Technostructural interventions involve organizations' task methods and work designs and the structures that place them into departments and coordinate them to achieve overall performance. These change programs have helped to transform how work is designed in modern organizations and how firms structure themselves to compete in a rapidly changing environment. It has led to self-managed work systems and to structures that are lean and flexible and empower the workforce. In Chapter 16, Frans M. van Eijnatten, A. B. (Rami) Shani, and Myleen M. Leary discuss sociotechnical system (STS) design, an intervention that designs work so it jointly satisfies human needs and technical demands. Starting more than 50 years ago in Great Britain, STS design has spread globally as the main alternative to traditional forms of work that are narrowly defined and highly routine. It has led to widespread application of highly flexible, empowered work teams and, in a broader context, to participatory democracy in the workplace. Eijnatten, Shani, and Leary review STS theory, design, and change processes; they identify variants of this intervention in Australia, the Netherlands, North America, and Scandinavia. The authors offer a reflective critique of STS knowledge and suggest key areas that need further understanding. Based on current changes in society, technology, and

commerce, they suggest emerging areas where STS can further develop to remain relevant to the times.

In Chapter 17, Gretchen M. Spreitzer and David Doneson focus on empowerment, a change program aimed at moving decision making and control downward in organizations, closer to where the work is done. Empowerment has been a mainstay in OD that helps organizations enhance employee motivation, response to problems, and commitment to change. Spreitzer and Doneson review and synthesize the extensive literature on empowerment from three perspectives: social-structural, psychological, and critical. They explain how empowerment can be a powerful incentive for personal and organizational change and lay out new directions for its development and application.

In Chapter 18, Jay R. Galbraith discusses organization design, a large-scale intervention aimed at designing the firm's structure, people, rewards, and processes so they align with its strategy and with each other. He reviews the practice and research origins of organization design and shows why new organization forms are proliferating at a rapid rate. Galbraith makes a strong case for the role that OD can play in providing the social skills and change management needed for organic, flexible designs with lateral coordination mechanisms that are so prevalent in organizations today. He explains how organization designs can vary on multiple dimensions having to do with products, geography, and customers. Galbraith describes designs that combine multiple dimensions in novel ways to account for firm growth and environmental change. He speculates about the next generation of designs, which may split organizations into cost-centric, product-centric, and customer-centric parts.

Human resource management (HRM) interventions focus on the personnel side of organizations, including selecting employees, training and developing them, assessing and rewarding their performance, and helping them plan and

manage their careers. These interventions typically are associated with the personnel function in organizations and are carried out by specialists with expertise in that area. There is much interplay between HRM and OD, however. For example, many technostructural interventions strongly affect how employees are selected, trained, and rewarded. Similarly, HRM programs increasingly rely on change management for successful implementation.

In Chapter 19, Edward E. Lawler III makes a strong case for greater integration between OD and HRM. He shows how rapid changes in information technology and the amount of knowledge work in organizations place a premium on human capital. This requires HRM to be far more involved in strategic planning, organization design, and change management. Lawler outlines the major functions of HRM and shows how they are evolving from mainly administrative tasks to working closely with line managers to support their operations to partnering with top executives to develop corporate strategy. He argues that these value-adding functions are new to HRM and require a system-wide focus, a good understanding of business issues, and knowledge about the effectiveness of different HRM approaches and the feasibility of various strategic paths. Lawler describes how HRM can be organized to perform these roles and identifies specific steps for linking HRM more closely to the strategy process.

In Chapter 20, Ayse Karaevli and Douglas T. Hall discuss career development, an intervention aimed at helping employees plan their careers and organizations manage the career paths of their members. Career development is increasingly tied to corporate strategy to ensure that sufficient talent is developed to enact it. Karaevli and Hall provide an integrated model of career development that includes career planning at the individual level and career management at the organization level. They review methods for both career planning and career management and show how the success of career development contributes to organization effectiveness.

Karaevli and Hall make a compelling argument that organizations with diverse talent pools and varied career experiences will be highly adaptive to environmental shifts while maintaining a strong identity. This requires career development programs that emphasize people's potential for future roles and performance, individual needs and personal development, and lateral promotion policies.

Strategic interventions are among the most recent and publicized change programs in OD. They involve large-scale change that is organization-wide and often radical. They are applied to organizations that need to change strategic direction or transform themselves to keep pace with a complex and rapidly changing environment. In Chapter 21, Larry Greiner explains how OD can be integrated with strategic planning, a process in which senior executives determine how the organization will gain competitive advantage. He shows why OD has traditionally ignored or been excluded from strategic decision making and reviews recent attempts to remedy this problem. Greiner explains that these efforts deal mainly with the process or social side of strategic planning and tend to ignore the content or business side. He argues that if OD is to contribute fully to strategic planning it must address both sides. Greiner presents an OD approach to strategic planning that integrates process and content and results in strategic plans that are realistic, flexible, and likely to be implemented. He proposes future directions that OD will need to take to become a full partner in strategic planning.

In Chapter 22, Michael Beer shows that in today's rapidly changing environments organizations need to be adaptable and capable of transforming themselves into high-performance and high-commitment systems. He presents two opposing approaches to organization transformation: "Theory E," which focuses on economic and financial goals and changes in strategy, structure, and systems, and "Theory O," which emphasizes organization effectiveness and changes in organizations' culture and people. Beer argues strongly that successful

corporate transformation must embrace the paradox represented by these two theories of change. Yet executives tend to lock into one approach without considering what can also be gained from the other. To overcome this myopia, Beer proposes a disciplined strategic change process led by an effective top team with diverse perspectives. It includes open dialogue across organization levels so top management can test its approach to transformation and revise it to incorporate elements of both Theory E and Theory O. Beer provides a set of principles to guide this change process and presents evidence about their efficacy in helping organizations embrace the paradox of the two theories.

In Chapter 23, Kim Cameron describes OD interventions for changing organization culture, the taken-for-granted values, norms, and beliefs that are shared by members and affect how they think, feel, and behave at work. A strong culture provides organizations with a unique identity, and when it effectively guides behaviors in the right strategic direction, it helps firms sustain success. Cameron conceptually defines organization culture and shows how it can be measured using a competing values framework. It assesses culture on two dimensions—flexibility versus stability and internal versus external orientation—which can be combined to identify four types of culture: clan, adhocracy, market, and hierarchy. Cameron describes how organizations can profile their existing and preferred culture and, when a gap is discovered, how they can go about changing it.

In Chapter 24, David A. Nadler explains how OD is applied at the top of the organization to help senior executives transform the entire firm, a process called enterprise change. He identifies the elements of such large-scale change and explains the key role of top leaders. Nadler proposes that OD practitioners must be both change architects and trusted advisors when working with CEOs and their executive teams on enterprise change. He describes the kinds of change issues that CEOs

and their teams are likely to face and explains how these OD activities can help resolve them. Nadler devotes special attention to boards of directors and describes their unique and changing role in corporate governance and the problems they tend to face. He identifies an emerging role for OD in helping boards become more effective.

George Roth describes OD interventions aimed at helping organizations learn in Chapter 25. Application of these change programs has grown rapidly in OD because in today's environments, the capacity to learn faster and more effectively than competitors can provide organizations a sustainable competitive advantage. Roth reviews the major perspectives in organization learning, presenting their core concepts, pathways and barriers to learning, and relevance to OD. He pays particular attention to applied work on the learning organization, where much OD intervention has taken place. Roth identifies the principles or disciplines that enable organizations to learn and shows how OD can facilitate their application. He speculates on future directions in organization learning and how OD can evolve along this path.

In Chapter 26, A. B. (Rami) Shani and Peter Docherty address how learning mechanisms can be embedded in OD interventions. They argue that many OD programs fail to sustain change and improved outcomes because learning methods are not designed into the change process itself. Shani and Docherty define learning mechanisms, identify their key features, and describe three broad types: cognitive, structural, and procedural. To illustrate this material, they present case studies of specific OD interventions from each of the four broad categories used in this handbook and show how learning mechanisms were explicitly designed into them. Shani and Docherty discuss the inherent connection between OD, learning mechanisms, and collaborative research. They suggest how organizations can enhance their learning capabilities by building on existing learning methods or developing entirely new ones.

Susan Albers Mohrman describes how organizations can be designed for knowledge management in Chapter 27. She shows how knowledge management adds value to the firm when it is a core competence embedded in the organization's routines and design features, not simply an add-on program or set of techniques. Mohrman presents a strong case that knowledge is practice based and is created by employees as they interact in the workplace. She explains how the various features of an organization can be designed to promote knowledge construction and sharing. This includes building knowledge capabilities into the organization's strategy, work processes, structure, management processes, rewards, and people. Mohrman concludes that knowledge-based views of the organization must be included explicitly in OD diagnosis and intervention and that practitioners need to be constantly alert for opportunities to design knowledge capability into the firm.

Part IV extends OD to issues and settings that differ from those related to large business corporations, where so much of OD has been applied. These special OD applications address such topics as ecological sustainability, community development, and social change in developing nations. They take place in the public sector, in family-owned firms, in nongovernment organizations, and in networks of organizations. In many ways, these special OD applications are not simple extensions of current OD theory and practice but require entirely new concepts, methods, and skills.

In Chapter 28, Robert T. Golembiewski and Gene A. Brewer review how OD is applied in the public sector. They examine several intellectual traditions that guide thinking and administration in government. Although these different perspectives identify particular needs for change in public organizations, they offer only limited encouragement that OD can work successfully there. Golembiewski and Brewer contrast this bleak conceptual picture of OD in the public sector with the positive results of a large panel of OD interventions in

government agencies and business firms in 61 countries. The success rate of public change programs was substantial and on par with those in the business sector. Golembiewski and Brewer speculate on why OD was so successful in these public organizations and challenge the common assumption that OD does not work well in the public sector.

In Chapter 29, Ernesto J. Poza discusses OD's role in firms that are owned or controlled by families, a significant part of the economies of many nations. He describes the unique features of these organizations and the special challenges they pose for OD. Poza presents systems and resource-based frameworks for diagnosing family businesses to assess how they are functioning. Based on diagnosis, he reviews four OD applications that are particularly appropriate to family firms and shows how they work in these settings: change management, leadership succession, strategic planning, and governance. Poza pays particular attention to the skills and knowledge that OD practitioners need to engage successfully with family businesses.

In Chapter 30, Dexter Dunphy describes how OD can contribute to sustainable organizations capable of developing human resources and operating in a way that does not damage the natural environment. He reviews how OD has evolved to keep pace with the key issues facing organizations and makes a compelling argument that the challenge to organizations and OD in the current century will be sustainability on both human and ecological dimensions. Dunphy explains how human and ecological sustainability contribute to organization effectiveness and shows the phases for accomplishing it. He describes what sustainability means for how organizations are designed and managed and for how OD is conceived and practiced. Dunphy clarifies the key role that OD can play in helping organizations achieve sustainability.

In Chapter 31, L. David Brown, Mark Leach, and Jane G. Covey explain how OD can be used in the service of social change, which

generally involves large-scale problem solving and transformation aimed at improving the lives and prospects of impoverished and marginalized groups in society. Drawing on their extensive national and transnational work in this area, the authors conceptually define social change and identify four leverage points where OD can help: improving the functioning of social change organizations, scaling up their impacts, creating new systems for social change that transcend existing organizational and institutional arrangements, and influencing the contexts, and thereby the activities, of agencies that are critical to social changes. Brown, Leach, and Covey describe the unique challenges in applying OD to social change. They draw emerging lessons for OD interventions and practitioner skills in this area and suggest implications for making the OD field more relevant to social change.

Rajesh Tandon shows in Chapter 32 how OD applies to nonprofit, nongovernment organizations (NGOs) that in many nations have taken on developmental activities typically carried out by government agencies. He identifies the many variants of NGOs in the world today and explains their growing importance in addressing societal problems. Tandon makes a strong case that OD can help NGOs deal with a number of external and internal pressures for change. He outlines the steps in applying OD to NGOs and identifies several prerequisites for success. Because application of OD to NGOs is new yet growing rapidly, Tandon clarifies issues that OD practitioners and NGO leaders need to address to move the field forward in this area.

In Chapter 33, Rupert F. Chisholm applies OD to interorganizational networks, which are composed of multiple organizations that have joined together to perform tasks and solve

problems that single organizations cannot do acting alone. He describes the features of interorganizational systems and provides examples of networks engaged in regional development and social problem solving. Chisholm explains the growing importance of interorganizational networks in the context of societal conditions giving rise to complex, messy problems that single organizations cannot resolve. He identifies the unique developmental problems facing networks and describes the steps for applying OD to help resolve them. Chisholm shows the key role that action research plays in network development and argues strongly for more OD knowledge and practice related to this complex form of problem solving.

In Chapter 34, David M. Boje and Mark E. Hillon describe transorganizational development (TD), a form of planned change applied to multiorganization networks. They review the history of TD and propose a storytelling approach to its practice. Boje and Hillon argue that storytelling binds network members together and facilitates their collective memory. They identify two models of storytelling and explain what they mean for TD theory and practice: One focuses on knowledge management and learning in networks and the other on dialogue and multivoiced participation in networks. Boje and Hillon review storytelling approaches to TD practice and propose a new method that can help in analyzing and developing multiorganization networks.

In Chapter 35, Thomas G. Cummings presents an interview with Warren Bennis, one of the founding fathers and leading scholars of OD. Conducted especially for this handbook, the interview asks Warren a series of questions in which he reflects on how the field has evolved and speculates on where it is heading.