Fish or Bird?
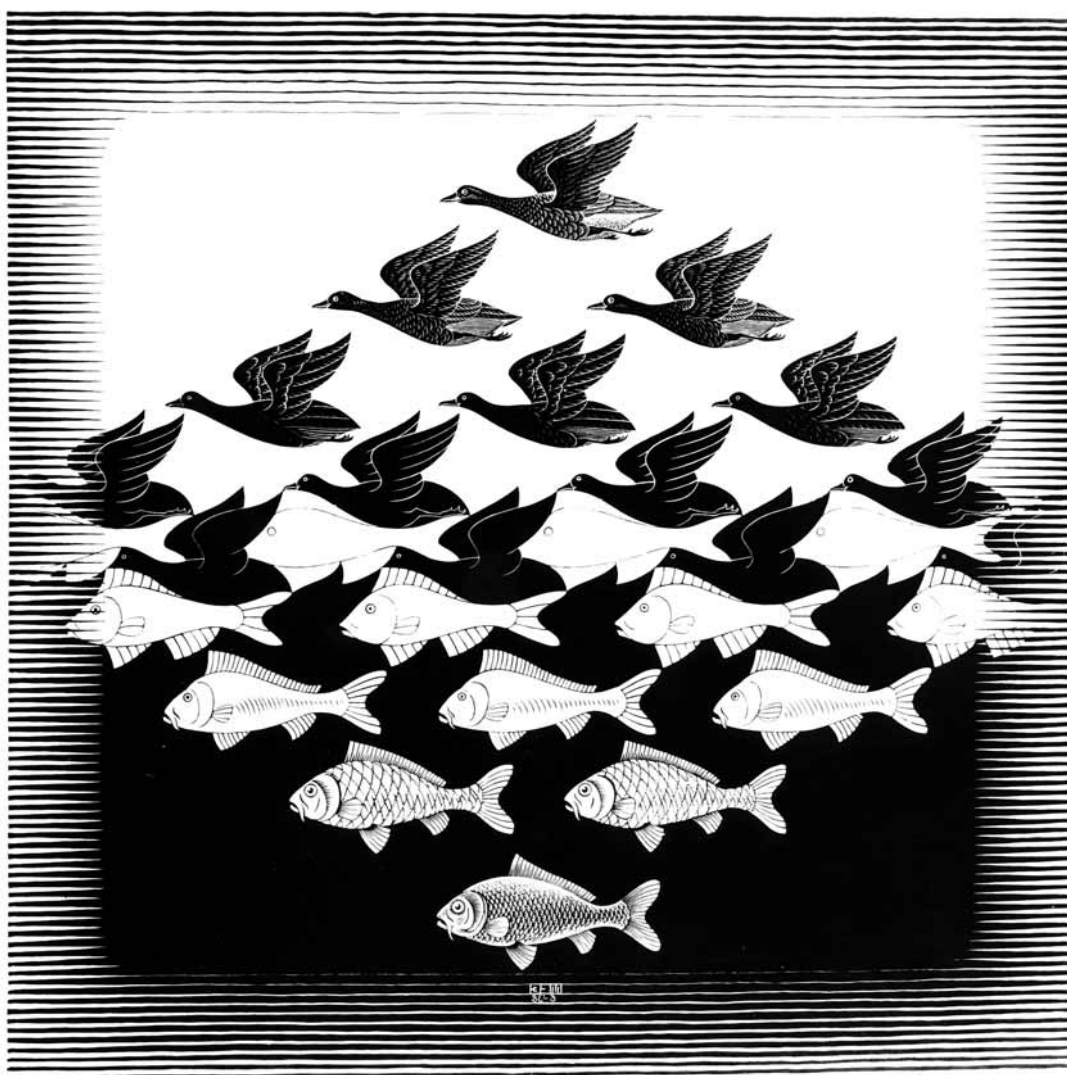# Perspectives on Organisational Development (OD)

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The Institute for Employment Studies

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Executive Summary

Overview

This report offers a contemporary look at organisational development (OD) practice in the UK from multiple perspectives. It highlights the evolution of OD and points to future directions. It raises some of the key debates and tensions in the field. With the continuing quest for organisational effectiveness, it concludes that there is an ongoing need for OD.

Who this report is for

The report will be of interest to HR practitioners seeking to understand more about OD practice as well as managers who have a broader interest in organisational effectiveness relating to people, processes and structures.

Key findings

■ OD is not a functional discipline, it is a field of practice.

■ OD practice is contextual. It is sensitive to specific organisations, industries and environmental conditions. It is developed through relationships. Therefore OD practice may look different in different contexts.

■ OD has a rich heritage and has been undergoing its own transition in recent years. While there have been warnings of the demise of OD coming from the US, OD has been in the ascendance in the UK over recent years.

■ There are a number of concepts which practitioners tell us are at the heart of OD:

    □ Change and the pursuit of organisational effectiveness.

    □ An organisation-wide scope and a systemic approach.

- □ Working in partnership.

- □ Taking both a humanistic *and* a business-focused approach.

- □ Being facilitative *and* challenging.

- Its systemic nature and organisation-wide remit mean that OD rarely sits neatly in the organisational hierarchy. OD practitioners often work at and across traditional boundaries.

- An OD 'mindset' is sometimes seen as a distributed capability in an organisation.

- OD practitioners see connections with strategic HR and potential disconnects with operational HR.

- OD is not formulaic and cannot be engineered.

- Key to working in OD is to accept where you are in the present moment, work with the issues that are presenting themselves today and accept that today's challenges and responses are the result of a rich tapestry of past experience, current circumstance and intuition.

- Grounding yourself in a belief and value system is seen by some practitioners as essential.

- Intuition and reflexivity (understanding your own assumptions and approaches) are central to OD practice.

- OD practitioners in today's world need to be skilled in working with contradiction and paradox.

- Customer expectations of OD are typically wide-ranging, from topical issues of efficiency and engagement, to central themes of embedding strategy and building capability.

- Advertised OD jobs demand a broad-range of skills and experience, with many requiring post-graduate qualifications.

- There is more than one way to develop an OD career, but adopting an OD mindset and a reflexive approach are essential. There is something about OD that you cannot put into a competency framework.

- Practitioners point to the benefits of OD and are generally bullish about its contribution in tough times.

- Among practitioners, there is little focus on measuring OD's impact. Some say that its systemic nature makes OD hard to measure and others say that it is inappropriate to even try.

- Future trends might include:

  □ OD's continued enlargement, with the associated risk of fragmentation if no professional 'home' is found for OD in the UK

  □ some level of integration with HR, with the associated risk of an uneasy alliance between professionals with very different mindsets

  □ the evolution of organisation design through the influence of technology and social software into amorphous networks

  □ linking OD more closely to 'strategic reframing' rather than limiting it to the HR or people aspects of the organisation

  □ stronger links with communications and engagement, shaped by the emergence of a generation where technology is their key form of communication

  □ the increasing emphasis on 'risk' as a framework for organisation design and decision making

  □ links to other frameworks such as governance and assurance

  □ the current downturn moving organisations towards OE (Organisational Effectiveness) rather than OD.

- OD is inherently paradoxical. It is neither a fish, nor a bird. It accepts the paradox of being *both* a fish *and* a bird.

Introduction

Organisational development (OD) has always been something of a mystery to people in other areas of business and even to HR professionals who are probably its closest relations.

My ambition for this research was to define current UK OD practice and provide some clarity around what OD 'professionals' do and their impact on organisations, with some insights into how to develop a career in OD. In particular, in view of the current economic climate, it seemed a good opportunity to test the value of OD's contribution in tough times.

I have been fortunate to work on this with two experienced OD practitioners: Sharon Varney, currently working as an independent consultant while studying for a Doctorate at Henley Business School and Christine Lloyd, currently Director, People and Organisation Development, Cancer Research UK and former Global Vice-President OD at Nokia. We came together several times over the course of the project to learn from each other and share our different perspectives, bringing both internal and external OD practice as well as academic theory. In addition, we have carried out semi-structured interviews with OD practitioners, senior managers and chief executives as customers of OD, and HR professionals.

We have tried to shed light on OD from multiple perspectives but a single definition remains elusive, hence our rather enigmatic title. Perhaps it would have been disappointing had that not been the case, as organisations and their environments are complex as is the behaviour of individuals within them, and a simple 'one size fits all' approach would have been unconvincing.

I hope, however, that you will find some clarity through these various perspectives and enjoy exploring the world of OD with us. We have provided some useful terms in the Glossary (Appendix 1) and some of the many definitions of OD in Appendix 2. In Chapter 1 we examine the historical perspective and the roots of OD. Chapter 2 explores the practitioner perspective through in-depth interviews. Chapter 3 is a personal perspective from Christine Lloyd who is

widely recognised as one of the UK's leading OD practitioners. Chapter 4 provides a 'customer' perspective through the eyes of chief executives, senior managers, HR professionals and recruiters. Chapter 5 examines how OD careers develop, illustrated by Sharon Varney's own career journey. Chapter 6 considers the future perspective, the tough times we face currently and the opportunities and risks. It suggests how OD might need to adapt to remain relevant in organisations of the future to avoid the crisis that has befallen OD in the US.

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About the Authors

Valerie Garrow …

is Associate Director at IES. She has worked in the field of mergers, acquisitions and partnerships for 12 years, exploring integration of cultures as well as cross-boundary working. Her PhD examined the impact of mergers and acquisitions on the psychological contract.

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Sharon Varney …

is a consultant and researcher with several years' senior management experience in organisational development and learning in large, global organisations. Her expertise has been gained at the sharp end across a number of industry sectors: oil and gas; banking and finance; manufacturing and travel.

Sharon has recently set up her own organisational consulting practice, **Space for Learning**, helping business leaders grow their corporate capability and develop organisational potential through their people. She is also undertaking a doctorate at Henley Business School, pursuing a keen interest in the power of learning as a vehicle for change in complex organisations.

Christine Lloyd …

has worked across a range of sectors, including financial services, energy, pharmaceutical and technology. Her work focuses on large scale organisational change and transformation, integrating strategy, people and processes. She has worked internationally and from 2000–2005 she held the role of Global Vice-President, Organisation Development for Nokia based in Helsinki.

In 2005 she made a move into the not-for-profit sector and currently holds the role of Executive Director, People and Organisation Development for Cancer Research UK. She is also a Non-Executive Director of the Bath Consultancy Group which focuses on whole systems change and transformation.

1 A Retrospective

'*What we know from past experience is an asset, but what leads to successful transformation is our capacity to learn in real time. While knowledge is useful, learning is essential.*'

Robert E Quinn

The first response to a question about the role of organisational development (OD) in any organisation is normally, 'It depends what you mean by OD'. In most cases there is some activity that people can group under the general banner of 'organisational development' but it is not always done through an OD practitioner and where there are recognised OD people, their interventions and focus can be so varied that it is hard to link them as a 'profession' or see immediate connections with their forerunners.

The eclectic nature of OD and the abundance of conflicting definitions combined with its seeming homelessness as a profession, both in a corporate and academic sense, inevitably mean it is not well understood by outsiders. Waclawski and Church (2002, p. 4), for example, suggest that '*the field itself has yet to come to agreement on its basic boundaries or parameters ... thus for some, OD represents anything and everything that might be offered*'. Its diversity is cited as both a strength and a weakness but leaves many thoroughly bemused. In addition, the lack of evaluation over the years has failed to enhance its reputation and credibility.

1.1 Classical OD

Most books on OD begin with a range of definitions mainly from the US, where much of the academic work has taken place. Before revisiting a couple of these (others are included in Appendix 2) it is helpful to trace the legacy of some of the roots of 'classical' OD.

OD is generally considered as a post-war response to the dehumanising effects of scientific management practices (Taylor, 1911; Gantt, 1929; Fayol, 1949) where

workers were small cogs in the well-oiled machinery of organisational bureaucracies. Work was fragmented into small tasks, designed and monitored scientifically by 'the management' often through time and motion studies (Gilbreth, 1911). Workers themselves had no autonomy and were easily dismissed.

The humanistic approach of OD began to replace the machine metaphor of organisations with natural images of body and health and drew on the behavioural sciences to suggest how people, systems and technology could be organised in a more effective and humane way. The key strands of work that form the core of classical OD relate to new humanistic values, training and development, employee feedback, systems thinking and action research.

1.1.1 Root 1: The human relations movement

The first important legacy that still distinguishes OD from general change management consultancy is its underpinning humanistic values: respect for human dignity; integrity; freedom; justice and responsibility. Psychologists and social scientists concerned with the alienation of workers brought a strongly values-driven approach to the study of leadership, management and motivation. OD recognised the potential of motivated people in organisations, a trend that has become increasingly important in the knowledge economy where individuals represent talent and human and intellectual capital. Rising post-war social aspirations provided fertile ground for these new values as well as OD's second important legacy.

1.1.2 Root 2: Training and development

Early OD from University of California, Los Angeles (West Coast OD) focused on personal development and growth and a strong belief that effective individuals would inevitably lead to effective organisations. Attention gradually shifted to relationships, teams and inter-group dynamics. In 1945 Kurt Lewin founded the Research Centre for Group Dynamics at Massachusetts Institute of Technology and two years later the National Training Laboratories were established where individuals were encouraged to explore their own effectiveness and impact on others through the T group (see Glossary). This ability to build effective relationships remains a key competency in many organisations today.

1.1.3 Root 3: Employee feedback

Rensis Likert's introduction of the employee survey at the Detroit Edison Company in 1947 paved the way for employees to have a voice in the workplace and a say in how they were managed. Employee involvement and participation has been an ongoing OD legacy becoming particularly important throughout the

'empowerment' and 'delayering' of the 90s. Meanwhile, the staff survey is currently enjoying popularity as a measure of employee 'engagement' as well as providing an opportunity to benchmark against other organisations.

1.1.4 Root 4: Action research and change

OD today tends to be associated primarily with change. At its heart lies action research, cycles of data gathering, analysis, action or change, reflection and evaluation. The OD cycle (Kolb and Frohman, 1970) of contract and entry, data collection and analysis, data feedback and negotiation of interventions, action and evaluation, built on these principles. Early action research and action learning, however, were rooted firmly in the positivist experimental tradition and classical OD change was rational and orderly: top-down, planned, linear, holistic and data driven. Lewin's unfreeze-change-re-freeze formula is a good example of linear, logical change that might occur in a closed system.

1.1.5 Root 5: Systems thinking

Much management and economic thinking has been informed by the 19th century theory of closed equilibrium systems, borrowed from physical and mathematical sciences. The perception of organisations as closed entities with impermeable boundaries gave an illusion of rationality and predictability to management and strategy formulation. Open systems theory recognised organisations as living systems with a permeable boundary to the environment.

In the UK, Trist and the Tavistock Institute approached organisations as both human and technical systems (socio-technical systems). Several experiments with self-directed teams, for example, mirrored workers' own social networks in the community.

These five roots are incorporated in two early definitions of OD as:

> 'A planned effort, organisation-wide, managed from the top, to increase organisation effectiveness and health, through planned interventions in the organisation's processes using behavioural science knowledge.'
>
> Beckhard (1969)

> 'A response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organisations so that they can better adapt to new technologies, markets and challenges and the dizzying rate of change itself.'
>
> Bennis (1969)

While OD still draws on this heritage, many attribute its longevity to an ability to evolve and adapt and to incorporate new paradigms in order to increase understanding of organisations and their environments as well as the changing

nature of the workforce and its social expectations. We now examine the transition period of new ideas and influences.

1.2 OD in transition

Since the early days of OD, a new world-view has emerged to question the existence of objective reality. During this period there has been a serious challenge to the modernists' belief in rational, scientific progress and universal truth. Post-modernism denotes the end of the 'grand narrative' in favour of complexity, multiple perspectives and stakeholders with differing power bases. The rational and predictable world of the positivists is replaced by a potentially chaotic and uncertain landscape where cause and effect are unclear and reason and logic do not always win the day.

Social constructionism rejects the possibility of one objective truth in favour of a reality which is socially constructed. Context and culture both influence and are influenced by the actors in the scene and the world-view is constantly reformed and negotiated by coalitions and powerful players.

Organisations are suddenly far from the rational, planned, stable entities they once appeared to be. Reality is shaped by the conversations and dialogues that take place between people within them and is constantly shifting.

Early OD having been firmly rooted in the positivist tradition has, however, successfully embraced this new paradigm. Some of the key enablers on this journey have been: a holistic approach to organisation design; an extension of systems thinking to assessing culture as an important vehicle for change; a change in emphasis from individual training to organisational learning; a development of the early work on motivation to tap into positive psychology; a recognition that change is messy and unpredictable rather than linear and orderly; the search for new styles of leadership; and drawing on new sciences and metaphors to support understanding of living systems and change.

1.2.1 Organisation design

In the OD sense, organisational design is a system-wide approach that goes beyond reorganisation or restructuring. Stamford (2007) describes it as '*the outcome of shaping and aligning all the components of an enterprise towards the achievement of an agreed mission*'. The McKinsey 7 S model and Burke Litwin's causal model of organisational performance and change have been particularly influential in visually mapping the alignment of the 'hard' and 'soft' elements of an organisational system. Some of the key OD messages around design are to ensure there is sufficient flexibility and adaptability to respond to and anticipate the external environment and to ensure internal connectivity to enable knowledge and

learning to spread freely. Matrix structures, for example, breached vertical silos and 'delayering' in the 90s pushed responsibility down to the customer interface so that staff could respond more quickly to customer needs. From an OD perspective, however, a new design requires a change in behaviour which often necessitates a culture change.

1.2.2 Organisational culture

The interest in organisational culture in the 80s was in part a response to the success of Japanese organisations in fostering quality and excellence. Peters and Waterman (1982) inspired a quest for '*cultures of excellence*' and the belief that corporate cultures could have an impact on economic performance provided a key role for OD drawing on both sociology and anthropology. Culture became particularly important for understanding post-merger integration problems and '*culture clash*' (Buono, Bowditch and Lewis , 1985) was a popular culprit for failure. Influential works by Hofstede (1980) and Trompenaars (1994) also highlighted the impact of national cultures at a time of increasing globalisation.

It became common practice to approach organisational change through what Jack Welch called the '*hardware*' of an organisation, ie its structure and processes, as well as its '*software*', ie its norms and culture. The search for the origins of organisational cultures led to further interest in the underpinning corporate values, beliefs and assumptions, as well as techniques to surface these through art, stories, myths, drama and metaphor in order to understand how they might be changed.

1.2.3 Learning organisations

Ashby's (1956) '*law of requisite variety*' states that for a system to preserve its integrity and survive, its rate of learning must at least match the rate of change in its environment. The rise of the knowledge economy with its focus on managing knowledge, intellectual and human capital has placed a strong emphasis on learning and particularly learning at an organisational level.

Peter Senge's book *The Fifth Discipline* (1990) popularised the concept of the learning organisation '*where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free and where people are continually learning to see the whole together*'.

While some complexity theorists now dispute that organisations are able to learn, the concept of flexible, agile and adaptable organisation remains central to OD. French, Bell and Zawacki (2000) describe one of the distinguishing factors of OD as being reflexive and self-examining to facilitate constant organisational renewal.

Varney (2007) finds OD practitioners '*creating space (physical and psychological) for learning and being a catalyst for learning*'. Closely allied to this is the role of the OD practitioner in '*removing barriers to learning*' as well as using frameworks, tools and techniques such as storytelling and metaphors to '*help people break out of their normal patterns and shift their perspective*'.

1.2.4 Positive psychology

An important new development in organisational research and consulting in the OD tradition has come through various methodologies which come under the banner of 'positive psychology'. Positive psychology has its roots in social constructionism advocating that people create a new reality by releasing and working with their energy and abilities rather than struggling with their faults.

Strengths-based development and Appreciative Inquiry (AI) evolving from the action research tradition both move away from the tendency to want to fix what is wrong with organisations and people. By identifying what works best and transferring those ingredients into other situations, AI builds energy for positive change and has a reputation for success in organisations that have been subject to negative public perception, where there is a history of conflict and where people feel demotivated or have low self-esteem. Similarly, strengths development looks for what individuals are good at and aims to build excellence rather than focus on development for weaknesses which, at best, might become average qualities or skills.

1.2.5 Transformational, discontinuous and non-linear change

Classical OD typically enabled incremental development and evolutionary progression, sometimes having to 'surprise' the system in order to shift behaviours and create momentum for change. However, as technology, the internet, deregulation, privatisation, globalisation and other external forces have required more radical survival techniques, OD has increasingly moved into the area of transformational and large-scale change. Transformational change is described by Levy and Merry (1986, p. 5) as '*multi-dimensional, multi-level, qualitative discontinuous, radical organizational change involving a paradigmatic shift*' . It has necessitated new OD methodologies such as Open Space Technology (Owen, 1997), Real Time Strategic Change (Jacobs, 1994) and Future Search (Weisbord and Janoff, 1995) in order to build a critical mass of commitment for the required change by bringing large groups or whole systems together.

1.2.6 New leadership styles

With this shift from top-down, planned, linear change requiring hierarchical command and control, there has been an ongoing quest for a post-modern leadership style that is able to engage multiple internal and external stakeholders, co-create vision and values, build social capital and still lead organisations through change and uncertainty. From hero to servant, centralised to distributed, charismatic to engaging, there has been a real shift in emphasis to emotional intelligence, authenticity and sustainability as well as a new focus on 'followership'. The growth of strategic alliances and cross sector partnerships has demanded that leaders be able to work collaboratively across boundaries and cultures, facilitate multiple stakeholder groups and draw on this diversity to enable new ways of working.

1.2.7 Drawing on the new sciences

Finally, there have been milestones in OD thinking through learning from the new sciences. Wheatley, in her book *Leadership and the New Science* (2006), suggests that it is '*time to realise that we will never cope with this new world using our old maps*'. OD has always drawn on a broad range of disciplines: psychology, sociology, cultural anthropology and political science, but it has also absorbed metaphors and theory from quantum physics, biological and evolutionary sciences, design science, social movement theory, chaos theory and complexity science.

Much of our current management and strategic thinking still remains anchored in the rational, predictable, semi-scientific 19th century theory of closed equilibrium systems. Many economists, however, are now incorporating complexity theory into their understanding of markets and organisations as open, dynamic systems which exist in a state of constant motion or 'dynamic disequilibrium'. Beinhocker (1997) identifies the characteristics of '*the new economics*' as:

- **wisdom**: based on a realistic model of cognitive behaviour, ie people do not always behave rationally or make optimal decisions

- **webs**: people interact in a '*dynamic web of relationships*'

- **waves**: these interactions produce evolutionary changes and innovation

- **would-be-worlds**: in agent based models '*different futures unfold*'.

The recognition that people do not always behave rationally has been an important transition from the machine metaphor of organisations where behaviour is uniform, unemotional and apolitical.

Relationships between people co-create the future but are seen as unpredictable, often driven by power, vested interest and coalitions. Some important lessons have been drawn from observing complex adaptive systems.

Plsek (2003) describes certain key properties of complex adaptive systems:

■ Relationships are central to understanding the system and the value and innovation comes from the interaction between agents.

■ They can be described by structures, processes and cultural patterns which are closely intertwined.

■ Actions are based on internalised simple rule sets and mental models which set up patterns of beliefs and behaviours.

■ 'Attractor patterns' encourage some behaviours over others.

The implications for OD are numerous. Firstly, complex adaptive systems are extremely resilient. Chapman (2002) cites the NHS as an example, '*As the NHS has shown, complex systems also have remarkable resilience in the face of efforts to change them*'.

Secondly, small changes in complex adaptive systems can produce large effects (known as the butterfly effect) through exponential change, where effects are multiplied throughout interconnected networks. The initial stimulus for change does not have to be large once the 'simple rules' are identified.

Thirdly, there are implications for leadership. Demos suggests that '*the use of command and control inevitably fails within complex systems and alienates people by treating them instrumentally*' (Chapman, 2002). Complex adaptive systems naturally demonstrate self-organisation and emergence rather than respond to top-down planning.

Finally, the new sciences have broadened the study of motivation, finding 'attractor' patterns and looking to 'pull' rather than 'push'. It has led to an interest in how social movements gain momentum. Gladwell (2000) explores how popular ideas and behaviours spread to reach 'tipping points' where the momentum for change becomes unstoppable. Tapping into discretionary effort has become something of a quest and undoubtedly explains much of the interest in employee 'engagement'.

1.3 OD today

Where then does that leave OD today? The world of classical OD felt more predictable, boundaries between organisations and sectors were clear and largely impermeable as was the boundary between the customer and supplier, the links

between cause and effect were more transparent and leaders believed in tried and tested formulas for business success. Globalisation, cross-cultural and cross-sector alliances and partnerships, the digital and networked age, deregulation, opensourcing, outsourcing, supply-chaining, customer involvement have led to a complex network of interconnections and cross boundary relationships that have challenged the way organisations operate and in some cases their core purpose.

Customers now get involved in the co-creation and co-design of products as well as viral marketing, while our service-dominated economy is increasingly becoming more patient, citizen and customer-centred.

We have seen a rise in the power of individuals and interest groups who publish their own books without a publishing house, reach a global audience through blogs, expand their social and business networks without leaving home, lend and borrow money from people they do not know without a bank, launch a music career on YouTube and even live, work and trade in a virtual world. Public marketplaces such as eBay provide a space to allow individuals to trade real products directly with each other. Meanwhile, virtual worlds such as Second Life have opened up a whole new market place of virtual goods, property and currency.

Survivors of the dot.com bubble, however, illustrate the need for some tangible value beneath the illusion. Lastminute.com for example cite a solid network of strategic alliances underpinning their business model. Other good 'connectors' such as Amazon have a strong distribution network.

The art of organisation design has occasionally pushed the boundaries with, for example, Hock's chaordic (between chaos and order) design for VISA in 1970. Hock's (1995) realisation that '*it was beyond the power of reason to design an organisation to deal with such complexity*' led to what he describes as '*an inside-out holding company*' where the '*23,000 financial institutions that create its products are at one and the same time, its owners, its members, its customer, its subjects and its superiors*'.

There are more recent extraordinary examples of the power of technology-enabled self-organising networks. The case of the Linux operating system (Kuwabara, 2000) is a striking study of the power of the self-organising properties of thousands of volunteer programmers or 'hackers' who have created a product to rival those of the world's most powerful organisations. Wikipedia has been a similar self-organising phenomenon.

All this leads to questions about what organisations of the future might look like, how they will add value and how they can combine people, structures and processes in order to be effective in achieving their goals. These are challenges that OD practitioners should be well placed to address from their rich heritage of

organisational analysis and their ability to absorb new ideas from multiple disciplines.

In the US, however, OD has experienced what some have described as a 'crisis' (Burke, 2004), while the UK is seeing something of an OD revival, with a plethora of new posts particularly in the public sector and health.

Let us first take a look at some of the criticisms that have damaged OD in the US:

1.3.1 OD in decline

Various academics have suggested why OD may have had its day:

- There has been a separation of theory from practice and a suggestion that OD has moved away from its theory based roots to become more tool and technique oriented (Bunker, Alban and Lewicki, 2004).

- OD has tried to impose its own humanistic values instead of working with organisations' own values (Porras and Bradford, 2004).

- OD risks pandering to fads as organisational customers look for new fixes and solutions to facilitate change (Bunker, Alban and Lewicki, 2004).

- Internal OD practitioners are buried within the HR function and lack contact with senior executives (Burke, 2004).

- Little of note is emerging in the field of social technology (Burke, 2004).

In addition, the following criticisms were identified by OD practitioners themselves through a global survey of 6,000 members of various OD networks (Wirtenberg, Abrams and Ott, 2004).

- There is a lack of definition and distinctiveness in what OD does.

- OD practitioners need greater quality control/effectiveness and business acumen.

- There is a lack of clarity around return on investment and the value of OD work.

As the dedicated remnants of OD practitioners become somewhat marginalised in the US with many defecting to mainstream consulting, why is there so much interest in the UK?

1.3.2 OD in the ascendance

One possible reason is that the same fertile ground that nourished the early roots of OD is doing the same today. The UK public sector has embraced OD

wholeheartedly, not only to achieve change in the services they provide but also to combat modern day worker alienation. Parker and Parker (2007, p. 15) reflecting on the state of the public sector suggest '*the metaphor of the machine – the idea of predictable, rational, cause and effect analysis may have brought about some significant improvements, but it has also failed to tackle deeper questions of motivation and legitimacy. Public sector staff are disengaged and frustrated*'. The authors go on to describe the quest for a '*new narrative*' with new '*organising frameworks*' and '*sources of disruption*'.

A further symptom of malaise in the public sector is the inability to learn. Chapman (2002), for example, describes the obstacles to learning in government and policy making as an aversion to failure; using failures to score points rather than learn lessons; pressure for uniformity; command and control authority; lack of time other than to cope with events; secrecy used to stifle feedback and learning; turf wars; efficiency drives and vested interest.

The behavioural sciences are now once again much in demand in the quest for employee engagement in both public and private sectors where there is fairly widespread consensus that OD is concerned with organisational effectiveness.

There is also some agreement that it relates to 'sustainability' both for the organisation and, in a broader sense of social responsibility, to communities and the use of global resources.

Rowland (2007) identifies a number of themes around OD today:

- OD happens in different guises, although it may not be badged as such.

- All kinds of people do OD, not just designated practitioners.

- Development experts may not have the title but may use OD interventions.

This brings us back to our initial dilemma that 'it depends what you mean by OD'. There is clearly a quest for organisational effectiveness, but the means to achieve it relies heavily on the competence of the OD practitioners, whether they are 'designated' or simply have an intuitive understanding of how to engage and harness the creative energy of people.

1.3.3 Where next?

Our retrospective has taken a tour of some of the key roots and milestones that have influenced the evolution of OD. We have captured some of the richness of its own development in Figures 1.1 and 1.2. Figure 1.1 gives a flavour of the historical context, development of ideas and key thinkers, while Figure 1.2 shows some of the levels at which OD might operate. The next chapter investigates the practitioners' perspective of their work.

Figure 1.1: History of OD

History of OD

Social and political backdrop

1940s
- WWII
- New Britain workshop (1946)

1950s
- UK's first shopping centres
- Churchill Prime Minister
- Queen Elizabeth II crowned

1960s
- Abolition of the censorship of plays
- Reduction in church attendance

1970s
- Voting age reduced from 21 to 18
- 'Bloody Sunday'
- Miner strikes & Winter of Discontent
- Conservative Government
- Margaret Thatcher Prime Minister
- First test-tube baby

1980s
- Collapse of communism/Berlin Wall
- Bombing of Harrods
- Bombing of Conservative Party Conference
- Live Aid
- Lockerbie disaster

1990s
- World Wide Web (1995)
- Thatcher resigns/John Major new PM
- 1st Gulf War
- Barings Bank goes into receivership
- Dunblane massacre
- Tony Blair and Labour elected
- Hong Kong returned to Chinese
- Scottish Parliament opens

2000s
- Anti-capitalism riots in London
- War on Terror
- Foot and mouth disease
- Wars in Iraq and Afghanistan
- SARS – a worldwide health threat
- Boxing day tsunami
- Gordon Brown takes over leadership
- Benazir Bhutto assassinated
- Global warming

Economic backdrop

1940s
- 'Shortage economy'

1950s
- Mass production & consumption

1960s
- Corporatism

1970s
- Rise of Japan
- UK joins common market

1980s
- Deregulation
- Rise of service economy
- Black Monday

1990s
- Recession
- Downsizing
- Merger cycle peak
- Knowledge economy

2000s
- Boom to bust
- E-commerce
- Globalisation
- Virtual economy
- Credit crunch

Key influences

1940s
- Group dynamics
- Change theory
- Gestalt/humanistic
- Planned change/change agent
- First employee survey

1950s
- Structural analysis
- Socio-technical systems
- Participative management
- Instructional systems design

1960s
- Open systems theory
- Contingency theory
- Functionalist sociology
- Human relations movement
- Leadership theory Y/X
- Formula for Change
- Symbolic interactionism

1970s
- Theory of practice
- Phenomenology
- Consciousness revolution

1980s
- Culture
- In search of excellence
- Psychological contract
- Neo-human relations
- Learning organisation

1990s
- Values
- Complexity/chaos theory
- Knowledge management
- Embodied metaphor

2000s
- Emotional intelligence
- High performance organisations
- Employee engagement
- Corporate social responsibility

Key thinkers

1940s
Lewin (1890-1947)
National Testing Laboratories (1947)
Tavistock (1947)
Lickert
Rogers (early 40s)

1950s
Trist & Bamforth (1951)
Lippitt, Watson & Westley (1958)
Maslow (1954)

1960s
Lawrence & Lorsch (1967)
Beckhard (1969)
Gleicher
Bennis, Benne, Chin (1969)
McGregor (1960)
Berger & Luckmann (1966)
Mead
Blumer (1969)

1970s
Harrison
French & Bell (1973)
Kolb & Frohman (1970)
Nadler (1977)
Weber
Cunningham
Heron (1971)

1980s
Peteters & Waterman
Schein
Morgan
Burke (1982)
Checkland (1981)
Senge
Schindler-Rainman & Lippitt (1980)
Owen (1985)

1990s
Argyris
Burke
French & Bell
Weisbord
Dannemiller
Jacobs

2000s
Stacey
Shaw
Cheung-Judge
Goleman (1995)

Methodologies

1940s
Action research

1950s
Survey research methods
Feedback

1960s
Questionnaires for organisational diagnosis

1970s
Interpretive sociology
Self-managed learning
Cooperative inquiry

1980s
Participatory research
Soft systems methodology (SSM)

1990s
Collaborative inquiry
Discourse analysis

2000s
Appreciative inquiry
Storytelling

Activities and interventions

1940s
T groups
Sensitivity training
Force field analysis
Unfreeze/change/refreeze
Self-directed teams

1950s
Task analysis

1960s
Process consultation (1969)

1970s
Self-directed learning
Team building
7-phase consulting model

1980s
Visioning
Process consultancy
Total Quality Management (TQM)
Preferred future
Future search
Open space technology
Business process reengineering

1990s
Large scale change
Real time strategic change
World café

2000s
Talent management

Source: IES

Figure 1.2: Different levels of OD

Psychodynamics

Sociology

Large group interventions
Stakeholder/multiple voices

Large groups

Individual

Leadership
Self-managed learning
Coaching/mentoring
Personality testing
Psychological contract
Empowerment
Job design

Second-order
Transformational change
Gamma

First-order
Incremental change
Alpha

Organisational
Development

Gestalt
Systems theory
Socio technical systems
Employee engagement
Learning organisations
Values/culture
Organisation design

Organisations

Small groups

T Groups
Interpersonal relationships
Self-directed teams
Team building

Organisational analysis

Source: IES

2 Practitioner Perspectives

'There are no recipes or formulas, no checklists or expert advice that describe 'reality' …. We must engage with each other, experiment to find what works for us.'

Margaret Wheatley (2006)

This chapter outlines the findings from a series of interviews with OD practitioners representing a number of industry sectors. Many had held the top OD job in their organisation. Some had also headed up the HR function. However, all identified themselves with OD first and foremost.

In this chapter, we address the following:

■ What is OD?

■ What OD people do.

■ The impact of OD.

■ Connections and contrasts with HR.

■ Who we spoke to.

2.1 What is OD?

OD often seems to be shrouded with mystique simply because it is hard to pin down. Those seeking clear definitions can feel frustrated by the seeming inability or unwillingness of the OD profession to precisely state what it is and what it does.

Our research attempted to move beyond the popular textbook definitions from the 1950s, where the focus on planned change may seem out of step with our more turbulent working world, to find out what OD means to practitioners today. What we found was a cluster of concepts which seem to be at the heart of OD practice, some fuzzy boundaries and mixed views about the usefulness of the term 'OD'.

2.1.1 Core OD concepts

The eight OD concepts raised by practitioners cover a number of related areas. Each considers a different aspect of the nature of OD and together they offer a rich picture of OD in organisations today.

Figure 2.1: Core OD concepts
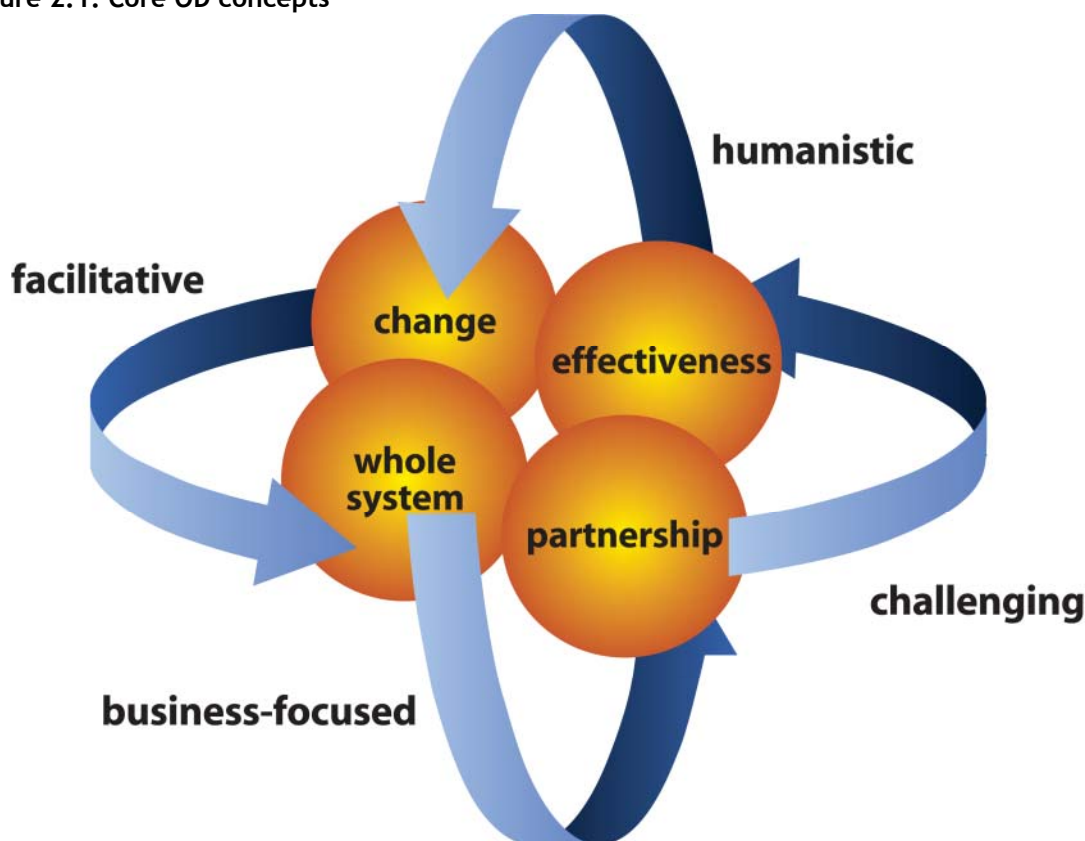
Source: IES

Change, change, change

OD practitioners talked at length about change being at the heart of their work. One person explained, '*OD and change aren't synonymous, but there is a big overlap. I think that I would describe most of what I do in OD as change*'. Some talked about organisational transformation and one interviewee commented, '*the concept of transforming business is where it's at*'.

There was a strong sense of OD work being about intentional change, but no-one used the term 'planned change'. Instead, the focus was about working with emergent (some call it 'improvisational') change. Planned change and intentional change are both proactive approaches to change; they are not reactive and they are not accidental. However, there are subtle, but important, distinctions between the two. Planned change suggests a clear goal and a predetermined process to get there. Intentional change, as described by participants in our research, is more

about establishing a direction for change and working in a way which is responsive to fluctuations and new learning along the way.

Enhancing organisational effectiveness

Many practitioners explained that OD is often employed in pursuit of greater organisational effectiveness. They talked about increasing organisational capacity, capability and performance.

> '*I don't think you can talk about OD without change – because I think that change is at the heart of it. I don't think you can talk about OD and change without some reference to organisation effectiveness. I don't think you can talk about it without reference to developing capability and capacity.*'
>
>   Head of OD for a company in the oil and gas industry

Achieving enhanced effectiveness may require a whole range of interventions. While some of these will undoubtedly include work with individuals and teams (which may be seen as traditional learning and development territory), these people development interventions often form part of a bigger picture. Importantly, it is that larger intent that earmarks them as OD, not the interventions themselves.

> '*Coaching is not OD …. You might do coaching as part of OD but, of itself, it's* **not** *OD. It's not about the whole organisation.*'
>
>   OD consultant and former HR director

OD is a partnership

Good partnerships with those at the top of the organisational hierarchy are central to OD success. One person described their role as, '*How to make my CEO look bloody good*'. Another described good relationships with two very different managing directors and how each influenced the way that OD was approached in their own organisation. In one, it was heavily influenced by '*Andrew's dream*'.[1] In the other, it required a completely different approach because '*there's no way that was going to work for Catherine*'.[1]

In very large organisations, finding chains of influence can be equally important. One consultant talked about the success of OD in a leading technology company and explained how their head of OD was well-connected across the business, commenting, '*She was a very close partner to her boss who was effectively the No.2*'. Another described having '*a few senior friends*' who were good influencers of their peer group. '*They were passionate about people issues,*' she said, '*and saw it as vital to*

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[1]   Names have been changed.

having a healthy organisation'. An external consultant talked about finding '*a sparkle somewhere in the company*' and working with '*managers who think a little differently*', '*who have budget and control*' and who '*tend to be better at the people aspects*'.

Interestingly, while OD practitioners themselves are keen to focus on the business, many found that the most senior supporters of their work were those managers who recognised the value of the human element in organisations.

An organisation-wide scope and a systemic approach

As discussed above, one of the features of OD is about connecting individual interventions to a wider strategic intent at an organisational level.

> '*OD is the thinking behind the culture you have in your organisation and the structure and strategy of the organisation.*'
>   Head of HR and OD for a company in the pharmaceuticals sector

> '*OD is all the activities, thought processes and interventions that help all the people in the extended organisation to help that community to meet its subjective goal.*'
>   OD consultant for a leading technology company

However, this notion of connectivity in OD went much further for a number of OD practitioners who also talked a great deal about the systemic, holistic (whole systems) nature of OD. In addition to taking an organisation-wide perspective, those who take a systemic approach are also recognising multiple inter-relationships and the many competing influences at play in organisations and the environment.

A humanistic approach

OD is seen by practitioners as taking a holistic approach in more ways than one. In addition to whole systems, the holistic nature of OD also means considering whole people. The humanistic roots of OD have not been lost on many of today's practitioners, but they have been translated into current business language. They talk about things like '*supporting engagement*', '*drawing people back in*', '*making human connections*', '*giving people a voice*', '*optimising the potential of people*'.

A business-focused activity

One thing that came out loud and clear when talking with OD practitioners is that they see their work as a business-focused activity. They talked about the external business environment and its particular impacts on their industry and organisation. They talked strategy and margins. They talked about the specific business problems that their clients were seeking to solve and the OD role within that. They talked about data and how it drives OD activity.

Interestingly, the majority of our research participants had held commercial roles (such as marketing, purchasing and sales) or business roles in projects or operations before moving into OD.

A facilitative role

A key feature of OD work is its facilitative nature.

> '*My role is to advise the organisation, not to tell them what to do. It's like coaching for a whole organisation.*'
>
>   Head of OD for an institutional fund management business

OD's aim may be to enhance organisational effectiveness, but it does so by enabling the people within the organisation to do things for themselves, rather than bringing in rafts of OD consultants to do it for them. Many of the practitioners talked about participative processes to enhance decision-making and increase involvement in the change process.

Paid to challenge

One person described OD as being about '*dipping into bigger issues*' and talked about double-loop learning, where OD might be about changing the whole context, rather than focusing on the activities within it.

> '*OD does far more than just challenge the status quo. It can really uproot the whole lot.*'
>
>   Former head of OD and HR in a large housing association

The challenge often comes in the form of searching questions from OD practitioners, such as '*What is the purpose of this business?*' One practitioner explained that OD is '*not always an intervention that is particularly welcome*' and gave an example of intervening with a business leader who was struggling, but did not want to admit it.

2.1.2 Fuzzy boundaries

Our research suggests there is a good degree of clarity and agreement among OD practitioners around the core OD concepts, considered above. However, they are keen to point out that the boundaries of OD are fuzzy. Its sensitivity to specific organisations, industries and environmental conditions, means that '*OD is not **one** thing*' and it can, therefore, be practised very differently in different contexts. Its systemic nature and organisation-wide remit necessarily mean that it has a broad focus which rarely sits neatly in the organisational hierarchy.

> '*OD is almost like the thread of life that goes through the organisation and everything goes off it.*'
>
>   Head of HR and OD for a company in the pharmaceuticals sector

OD in a nutshell

What is the purpose of OD?

OD practitioners see their work as being about facilitating intentional change in order to enhance organisational effectiveness.

What is its scope?

While some OD activities are conducted with individuals and teams, OD tends to take a whole systems view and its scope is the whole organisation.

Where does it sit in the organisation?

Successful OD is a partnership with key business leaders. It often crosses traditional functional boundaries and rarely sits neatly in the organisational hierarchy.

What are some defining characteristics of OD work?

1. Taking a whole systems view.

2. Adopting a predominantly humanistic approach.

3. Being business-focused and data driven.

4. Being facilitative.

5. Being challenging.

6. Working at the boundaries.

2.1.3 OD – is it a useful term to use?

OD practitioners advised caution in using the term OD. One problem with using it is that many people (including some HR professionals, our researchers were told) do not really know what OD is. Some people, therefore, use the term OD inappropriately; for example, to cover training (even when that training is not linked to overall performance), or to signify an extended HR organisation. As a result, OD practitioners often use other labels to describe what they do.

> *'The words 'organisational development' have been used so much, but actually people don't understand what they mean. I either use organisation change or organisation effectiveness.'*

> OD consultant

A second problem is the broad and highly contextual nature of OD. One practitioner commented, '*I don't know OD as a coherent form of widespread practice*' and explained that it is, therefore, extremely important for any OD practitioner to understand what their client means by the term organisational development.

2.2 What OD people do

Having explored what OD means to OD practitioners, it is now helpful to consider what OD people actually do. Although it has already been recognised that '*OD is not one thing*' and that it will be shaped by its specific context, there are patterns to the type of work and the nature of the activities that OD practitioners are engaged in.

This short section attempts to give a flavour of some of the work discussed by practitioners during the course of our research. For convenience in this report, it is divided into three areas: programmes, interventions and approaches. In reality, these are closely related areas which influence each other and are also heavily influenced by organisational goals and context.

2.2.1 Programmes

Frequently OD (essentially a mindset about working with organisations) is operationalised through programmes and organisational processes, or, more informally, through conversations.

Large change programmes were frequently mentioned by practitioners in our research. Often these were conceived around specifics such as improving the supply chain, becoming more customer-centred or introducing a new ERP system. However, a key OD role was to ensure that they were considered as '*part of a much broader change agenda*' which also explored implications for new ways of working, such as moving from a country structure to being more global, or using more open forms of enquiry in the organisation.

Shaping the organisation, in terms of strategy, structure, culture and values also featured regularly when OD practitioners talked about their work. For example, leading and facilitating strategy groups, helping managers to put together an R&D strategy, or taking a '*top-down and bottom-up approach to strategy*'. One person, who commented that '*a lot of my work has been around restructuring*', talked about helping managers to '*think through*' their structure and working with large groups, including union representatives to '*co-create*' the design. Others described developing a culture to support effective knowledge management, or working with a leadership team to consider how their culture supported their strategy. Much of the culture work described by practitioners involved work around core values and employee engagement.

Issues of performance and development can also come under the remit of OD. Leadership development and talent management, for example, were mentioned by many of the practitioners, particularly in terms of deciding what the overall strategy was going to be in these areas. One head of OD described their work here

as '*everything from ownership of processes – performance management, talent management, succession planning – to make sure they run properly, to working with the data that comes out of all of that*'. When training was mentioned, it was not primarily about developing knowledge, skills or attitudes, but the OD perspective was to '*use training to create the connections across groups*' and in service of organisational goals such as enhancing employee commitment.

Sometimes OD work is less systematic and is about working with what presents itself within an organisation. This may take the form of facilitating, coaching, modelling, or challenging as opportunities arise. However, what makes it OD is the link to the overall strategic intent.

2.2.2 Interventions

OD practitioners use a range of interventions in their work. People mentioned **workshops** in service of such goals as '*to clarify the vision going forward*'. Many were using **Large Group Interventions** (LGIs) such as Open Space, Café Conversations, large leadership conferences and whole company events. **Surveys** were mentioned. For example, to enquire into real as opposed to espoused values in an organisation and staff surveys. While the data-driven nature of surveys goes back to OD's roots, many practitioners are using more **participative forms of enquiry** such as Appreciative Inquiry (AI)[1] as a form of action research around the area of organisational values. Some OD practitioners spend much of their time working with the **top team**, '*facilitating their business meetings and also facilitating the integration of many small businesses that they had in the US*'. Small group interventions, such as **action learning,** are also used by OD practitioners. One-to-one interventions may also form part of the OD practitioner's work; for example **coaching** a CEO of a small business '*to help him re-envision what he wanted for the business*' or '*working with an HR director to put together an OD strategy*'.

One practitioner talked passionately about the value of embedding their OD work in the day-to-day work of their internal clients:

> '*Earlier in my career, I used to very much like doing team development – being out for a day and doing activities, getting them to talk .... I am now convinced that it is better to help them to run their day-to-day business – regular operational meetings or whatever. It's better to embed some team development in that, rather than doing it separately and then having to come back and apply it. Because it is not separate, it is seamless.*'

OD consultant for a leading technology company

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[1]   AI may also be thought of as a Large Group Intervention.

2.2.3 Approaches

OD does not use a fixed set of approaches. In fact, some commentators have noted that OD is happy to 'borrow' from a range of disciplines. Many of the methods mentioned in our research seem to sit well with today's volatile and more uncertain working world. For example, using and developing improvisational skills, or using metaphor '*to get what the accepted, unconscious assumptions are about what business is … also being able to give them [managers] a choice*'.

Overall, however, the emphasis was placed very firmly by practitioners on participative processes.

2.3 The impact of OD

Our research asked about the impact of OD in organisations. Practitioners talked both about the benefits of OD and also about how to, and even whether to, try and measure those benefits.

2.3.1 Benefits of OD

It seems that those with direct experience of OD work, either as practitioners, participants or proactive supporters, are often able to '*point to real change*'. However, there was recognition that it is often easier to see the benefits at an individual level, than a corporate level. For example, feedback from a series of road shows indicated that people recognised a change in behaviour at the top with comments such as, '*It's amazing the MD came down*'.

In addition to behavioural change, there can also be tangible, commercial benefits from OD work. One practitioner described how people from newly acquired businesses, who initially wanted to maintain their own separate identity from their much larger new parent, began working together very differently after a series of workshops with clients. As a consequence, some key new products were launched:

> '*They started collaborating much more across borders and being much more open and sharing more things and working across boundaries much more than before. [It brought] a more coherent focus on the product and, as a result … they put out a couple of big [technology] products in the market.*'
>
> OD consultant in a large technology company

Another practitioner talked about culture change and how being able to track hard indicators of change increased buy-in to OD work.

> '*Hard-nosed operational performance improved over 26 hard indicators. Then, of course, people wanted to know …. [It was] really good to see that culture changed so significantly, the whole organisation began to shift.*'
>
> Former head of learning and development (who comments '*we didn't call it OD, not then*') in a large public sector organisation

Other benefits discussed by practitioners included reduced resistance to change through involvement, which was seen as essential in a highly-unionised environment, and improvements in the quality of the overall working environment.

2.3.2 To measure or not to measure?

While OD practitioners are no strangers to measurement tools, and are often keen to evaluate staff and client perceptions, they stress that it is hard to measure the impact of OD. One practitioner uses the metaphor of a moving stream (after Heraclitus) to explain why:

> '*As an OD person you step into a moving stream. You're not presented with a blank slate. You walk around in that stream a bit, pushing rocks and whatever. But there are people in that stream doing things and so it's just really hard to measure what the impact's been.*'
>
> OD consultant

The ease, or otherwise, of measuring the impacts from OD may also be affected by the overall approach taken. Practitioners commented that it may be easier to measure programmatic, rather than emergent approaches, yet more emergent styles of working are felt to be more appropriate to today's fast-changing world.

Practitioners also advised against measuring individual interventions, as a bigger picture view is needed to consider the overall impact of OD work.

While most practitioners talked about the difficulties of effectively evaluating the impact of OD work, one person challenged the whole notion, suggesting that, '*You only evaluate if someone doesn't feel it added value*'. She went on to suggest that much measurement is carried out simply to justify activities and questioned the commercial value of much of that work. Like many other practitioners, this head of OD sought instead to develop a strong partnership with the CEO and the rest of the senior management team, explaining, '*if I've done my job properly, it's not about me, it's about them*'.

2.4 HR and OD – connections and contrasts

2.4.1 OD has a much broader remit

Although OD may be positioned as part of HR in some organisations, practitioners in our research took pains to point out that OD's remit is more wide-ranging than HR in a number of ways. OD looks at the whole organisation, it is interconnected with overall business strategy, it is business focused and not just people focused. Some OD people see HR as having tightly defined boundaries whereas, with OD, the feeling is that nowhere is off limits.

> *'If the HR strategy isn't aligned with OD strategy, and it's that way round as it's bigger, then I think that it causes complete confusion and conflict [and they] start to compete rather than to complement each other.'*
>
> Former Head of HR and OD for a large housing association

Many OD people also see HR as a client.

> *'One of the roles that I play is helping Martin[1] in the development of his team itself. There is an OD role to be played there in terms of stepping back and helping Martin as a client to push HR forward.'*
>
> Head of OD for a company in the oil and gas industry

> *'I consider changing HR as part of my remit, it's another operating unit.'*
>
> Head of OD for an institutional fund management business

2.4.2 ' … and OD'

> *'A while ago, the Health Service advertised every director of HR as Director of HR and OD. And, at the time, I thought, this is really bad news because actually OD is just being tacked on.'*
>
> OD consultant

In many organisations, OD is functionally packaged with HR and is often headed by a HR director or a director of HR and OD. The 'and OD' label is a source of frustration for a number of the OD practitioners in our research, including those who have been responsible for both. One person described a previous role as head of OD and HR. She explained that it was officially head of HR and OD and commented '*but I always turned it around*'. Another OD consultant and former HR director in a major consulting firm explained that, '*Organisationally a lot of people would see OD sitting under HR. I think that it's the other way round*'.

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[1]   Names have been changed.

2.4.3 Links with strategic HR

Practitioners see clear links between OD and strategic HR as both may be in service of overall organisational effectiveness.

> *'When you get into strategic HR, I think there starts to be some overlaps with OD.'*

> *'In some places strategic HR may very well be doing some of the same things as OD practitioners, but they call it strategic HR.'*

In addition, there is recognition that HR policies, procedures and strategies can be extremely useful in organisation development, with one person describing them as *'an extra set of tools'*.

2.4.4 Disconnects with operational HR

However, the perception is that there are also some real disconnects between HR and OD when a more operational mindset prevails in HR, as this quote from the Head of OD in a financial institution clearly illustrates.

> *'Strategic HR and OD are compatible. Operational HR and OD are in conflict. Personnel and OD are on different planets.'*

The explanations given for this gulf between HR and OD mainly focused around the view that OD and HR people tend to have different mindsets. Suggested reasons for this were:

■   differences in the nature of the work and, therefore, the type of people each attracts

■   differences in the roots of each profession – HR being grounded in business and OD in the social sciences.

2.4.5 How OD practitioners see the contrasts between OD and HR

OD practitioners highlighted a number of key contrasts between OD and HR, many of which are summarised in Table 2.1, opposite.

Table 2.1: Key contrasts between OD and HR

OD	HR
OD is a big picture thing	HR policies and procedures are about detail
'No rules, no boundaries, no restrictions'	*'Ensuring that we protect the organisation'*
'OD is very often about change in organisations … '	*' … whereas HR is about steady state organisation'*
Social science roots	Business roots
'Position of influence' (OD advisor to CEO)	*'Position of power'* (HR function)
Leadership metaphor	Management metaphor
Play to strengths	Focused on deficit
Focus on high performers and good performers	Focus on poor performers
'Focus on top two-thirds to create a tipping point'	*'Focus on the naughty child'* in the class – what's the impact on all the other kids?
Focus on diversity eg role-specific competencies	Focus on conformity eg core competencies

Source: practitioner interviews

2.5 Who we spoke to

The nine OD practitioners who took part in our research all had many years of business and OD experience, gained from a variety of industry sectors. Six had held the top OD job in a large organisation and half of those had also had responsibility for HR. Of the six external OD consultants, four were newly independent, having previously held OD management roles internally, and the other two had only ever worked externally in an OD capacity.

More information about our sample can be seen in Figure 2.2, below:

Figure 2.2: The sample
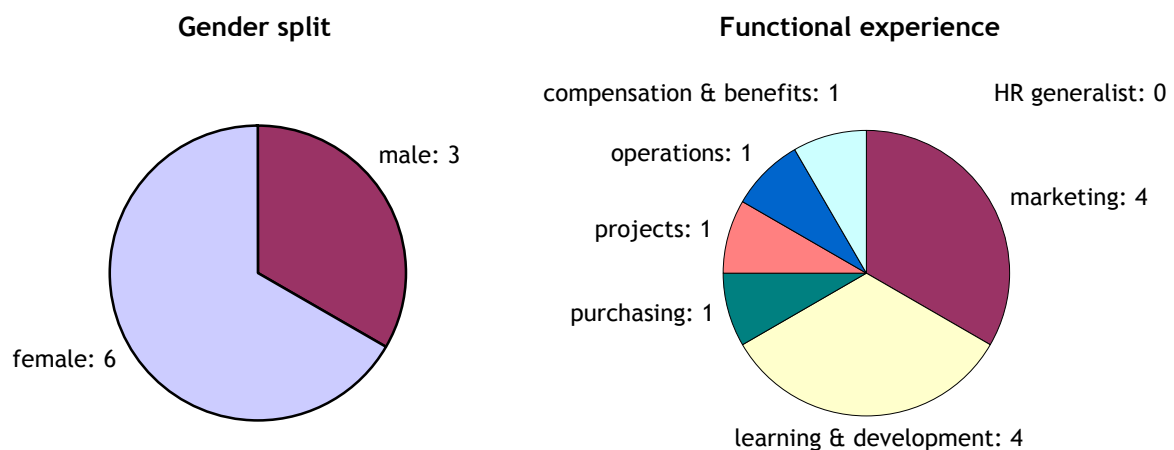
Source: IES

Interviewees had held permanent roles in the following sectors:

- Airline industry
- Banking and finance
- Broadcasting
- Consulting (large consulting firms)
- Housing association
- Oil and gas
- Pharmaceuticals
- Public sector
- Technology

3 Personal Perspectives: Christine Lloyd

'You must be the change you want to see in the world.'

Mahatma Ghandi

I have worked in and around the field that is called OD for over 25 years – all of it employed within organisations. During that time I have come at it from many perspectives – logical, intuitive, intellectual and emotional. I have grappled with the concepts of OD in the energy, automotive, pharmaceutical, financial services, technology and more recently, the not-for-profit sectors. However, trying to define or quantify this discipline still eludes me. It feels as if I am chasing a butterfly around, but as it lands and I am about to grasp it … it is off again, morphing into something else – the eternal chameleon.

What then have I learnt from my journey – are there any threads? Were there any eureka moments? I often summarise my dilemma around OD as the 'cocktail party conversation'. You know, that dreaded moment at a social gathering when someone asks you '*and what do you do*?', '*Oh … I help organisations to develop, I support organisations through change.*' I usually get a bemused look followed by '*OK … but what do you really do?*'.

Having said all of that, 25 years on, a pattern is emerging. I was tempted to say that it is starting to make sense, but I think that is the part of the conundrum. The more you try and make sense of it, the more complex it becomes. So for me the key to working in this field of OD is to accept where you are in the present moment, work with the issues that are presenting themselves today and accept that today's challenges and responses are the result of a rich tapestry of past experience, current circumstance and intuition. If there is anything I have learnt, it is that you cannot engineer OD and it is not a formulaic-driven field. Having said that, I believe that grounding yourself in a belief and value system is essential. Exploring the roots and development of thinking around OD is an important part of understanding your own assumptions and approaches. I often used the expression

'opportunistic OD' to describe some of my current thinking and work and I will try and elaborate on that as I describe my own experiential journey.

For me, that journey has involved understanding more about my own personal 'roots' as well as those of OD. I am not delving into that personal journey in detail here, but I would like to tell some stories about my experiences of OD as I have travelled through organisations. As I thought about this, I realised that, in many ways, my own career development has mirrored the various stages of the transition of OD in the last 25 years – starting in a relatively structured organisation but increasingly being attracted to more fluid and spontaneous environments as my career developed. I hope to highlight some of the dilemmas, questions and 'aha!' moments that I have experienced. Perhaps most importantly, I will try and share those small, but often significant, incidents and conversations that have shaped my beliefs and contribution. The following are a number of pen portraits of phases in my professional (and personal) development. They are the more significant experiences which have shaped what and where I am today.

3.1 Sitting on the fence

I have chosen to start some way back with my choice of 'A' level and university subjects. I had always enjoyed, and had some talent for, the 'spatial' relationship topics (anyone remember Venn diagrams?). As I entered sixth form, I had difficulty in making the final decision, but eventually chose maths, physics, history and geography. Maybe a strange combination, but this theme of mixing 'hard' and 'soft' was to emerge many times later in my career. My main subjects at university became geology and economics. I realise now that, even at this stage of my life, I was attracted to the contrasts of opposites and have continued to be fascinated by boundaries. Boundaries to me are intriguing places to be. You can view two worlds, dip into either and seek out the similarities and differences between them. This has been a continuing theme in my career.

3.1.1 Water, water everywhere

My specialist subject at university was hydrology and although I never went on to use the knowledge in a practical sense, I know that the flow, characteristics and energy of water has strongly influenced my approach to organisations. The interconnectivity between water systems, their fluid boundaries and the dependency of each component on the whole cycle was the beginning of my viewing many aspects of life (and organisations) as a connected network. I was also struck by the sheer determination of water to find a natural course through any artificial barriers or blockages in its way. Water moulds itself to overcome obstacles, taking on the shape and form of its opposition in order to move forward. This later developed into a fascination with Taoist belief and philosophy.

3.1.2 Stop watches and mainframes

I entered organisational life as a graduate trainee in the electricity industry. At the time, the electricity industry was still in the public sector (prior to privatisation) and was run along relatively bureaucratic and rigid lines. To mirror this somewhat rigid organisational framework, my first role was in 'productivity services' which was involved in defining and measuring activities and tasks to optimise efficiency. My mantra became, 'if it moves – time it or measure it'!

I became acquainted with the techniques of structured project management and the vocabulary of milestones, deliverables and deviations. Change management was defined as the 'actions needed to get us back to the plan'. During this period, mainframe computers were becoming part of mainstream organisational life and I became involved in transferring manual processes over to technological solutions. In parallel, we were also preparing for privatisation in the electricity industry, with it shifting from public to private sector. On reflection, my key learning at this stage of my career (I was not even aware of the term OD) was how even the most well thought out and rigorous plans (transfers to mainframe, migration to private sector) were influenced by a whole series of unpredictable variables such as behaviour, emotions, feelings and preferences. The often 'machine like' approaches to implementing process and technology changes were often rendered unworkable when human behaviour was overlaid onto them. Just like the way water finds its natural course if structures and barriers are created to try and control it.

3.1.3 Autumn leaves and winter beaches

These experiences motivated me to explore and try to understand these concepts further and in the late 80s I started an MA in Management Learning at Lancaster University. This was a somewhat experimental programme in its early years of evolution (and still in existence today). My dissertation was titled 'The impact of technology on organisations of the future' as I sensed that this 'clash' of hard technology with softer behaviours was at the heart of organisational dynamics. I also sensed somehow that technology could hold the key to unlocking and enabling rigid hierarchies to become more open and enabling.

However, it was not just the content of the programme that deeply influenced my approach, it was the construct of the programme itself. A few years earlier, Lancaster had launched this part-time Masters based on principles of open learning and self-management. Placing a group of 24 people in a room and asking them to design and evaluate their own two year Masters programme was at the time an innovative, and slightly revolutionary, idea. Possibly the academic equivalent of Big Brother!

The learning that came from the wide difference of views in the group, the differing needs for control, the deep conversations in the woods, hills and beaches of the Lake District and people's comfort or discomfort with ambiguity led to a profound learning experience. We did explore the more academic foundations and roots of OD, the programme itself being heavily influenced by Tavistock approaches, but more than that I learnt about concepts such as choices, flow, complexity and responsibility.

3.1.4 Architecture vs Art

My next period of learning was in two organisations (a chemical/pharmaceutical company and a building society) that were focusing heavily on 'process re-engineering'. My role in both organisations involved designing processes, systems and structures, but with a specific focus on integrating the people and behavioural aspects. While focusing on organisational design and architecture, I became even more aware of the overlay of social, human and behavioural considerations. It began to strike me that in 'designing' organisations you could potentially be creating some form of 'cage' that constrains innovations and creativity. The balance between frameworks and freedom suddenly became of paramount importance. Indeed, I started to question whether you could 'design' an organisation. Do they simply evolve according to the external stimuli and challenges? Should we let them evolve more naturally? Designing has the feel of 'doing to' as opposed to creating, which involves 'doing with'.

3.1.5 Harare to Houston

The next phase of my career literally was a journey as I entered a decade of international focus and travel. Growth, re-organisation and cultural integration became the key themes for the next decade and I lived abroad for the majority of this period. Ironically, expanding my horizons to experience a multitude of cultures, rather than exposing difference, enabled me to see the huge commonality and similarity of how people work within organisational frameworks across the world. People always seemed to concentrate on the differences, but what struck me in all my 'globe trotting' years was the commonality and consistency of human behaviour within an organisational context.

The concept of 'identity', knowing where you have come from and who you are today became a cornerstone for much of my work in this period. Roots, grounding and a sense of legacy proved to be just as significant as future vision and purpose. I experienced many organisations and teams focusing purely on future perspectives often neglecting the past and present. I believe you cannot become what you want to be tomorrow unless you have some understanding of where you are today. For me, heritage, tradition and identity are the glue which enables difference to be accepted within an overall organisational culture.

3.1.6 The space in between

Nowhere was this more important than during my five years with Nokia. Many of the challenges in this period were around how you enable and encourage diversity while retaining the strong culture (Finnish) that created the initial value.

I name this organisation as it was an important period in my career, working and interacting with some very special people. This is where many of the threads of my own OD style and beliefs came together. 'Connecting people' was the strap line of Nokia and it was here that I personally redefined my view of organisations as 'webs of relationships'. My experience in helping to set up a venturing organisation within Nokia helped me understand that it was often the relationship (or the space in between) rather than the task that was important. Connecting people to form networks and trusting them to create their own solutions became the focus of my OD work. Pace, rhythm and timing was a phrase used by my mentor during this phase and one that I still rely on today.

The importance of holding on to complexity and ambiguity and not rushing into simplifying or clarifying situations too early was a key learning. I started to become more interested in topics such as complexity theory and self-adapting systems. Even though much of my approach may have appeared counter-intuitive for an analytical technology organisation, the culture within Nokia accepted and sought out difference and I felt I provided a balancing influence within the organisation. Although it was somewhat different to mainstream style in Nokia, it was a particularly rich and rewarding phase of my career.

3.2 The importance of being 'earnest'

And so, finally, before I try and pull all of this into some insights, my current phase of the OD journey. Four years ago I was drawn into the not-for-profit world, back in a UK context and into an organisation one tenth of the size of Nokia. Perhaps a strange move to some but, apart from the cause, the organisation appeared to have the potential to bring all the challenges of my previous roles together. As well as a motivational and inspirational focus, there is an important sense of responsibility and governance in terms of being accountable for donated funds.

Perhaps the key focus and challenge in my current role is one of contradiction and paradox, bringing together all aspects of the previous phases of my career. How do you foster innovation in a strong research community while adhering to the strict governance of the charitable sector? How do you integrate probably the most diverse cultures I have ever worked with while still valuing difference? How do you harness the passion of beating cancer with the need to perform? How do you bring focus to an organisation that largely consists of loose networks and collaborations?

My current role also enables me to have a legitimate OD role from an executive board level position. I define 'OD' here in a very broad sense – for me it encompasses people, processes, systems and frameworks. My role focuses on internal effectiveness – combining the more organic people and behavioural aspects with some of the harder elements of the organisation such as process effectiveness, internal audit and risk management. This provides the opportunity to create and influence the necessary frameworks and boundaries within which freedom and creativity can be encouraged.

3.3 Key insights

I have described the pattern of my career in order to highlight some key points relating to both the nature of OD and how people work and develop in this field.

First of all, I call OD a field rather than a profession. A profession tends to have disciplines, topics, standards and accreditation. I am not of the school of opinion that tries to define the competency approach to OD, as somehow the very nature of trying to define it appears to contradict its very essence. My need to respond to the cocktail party question has become less important as time goes on. I connect people, I create space for conversations, I encourage natural flows. All of these seem perfectly reasonable responses to me and I have let go of the need to justify my world or work.

My metaphors and comparisons have always been connected with nature. When did nature ever produce a straight line? I must admit I do have some strange sort of allergy to boxes, grids and Excel spreadsheets. Flow, balance, pace, context and frameworks are much more natural concepts for me.

Context is critical. I have always worked in organisations where there has been at least an inquisitiveness for the approach I adopt. It has not always been easy. My role has often been to provide balance to the more financial, analytical, results driven behaviours in organisations and it has not always been easy. Resilience and persistence are key personality traits.

My background of combining 'hard' and 'soft' elements has been crucial. I qualified early in my career as a company secretary so being able to read balance sheets, profit and loss accounts and understand concepts such as risk and governance has enabled me to hold my own in the financial arena. My balance of career experiences between structure, process, systems and behaviour has also been key.

I realise with hindsight that I have followed a career progression through companies that has broadly mapped onto stages of OD development:

Table 3.1: Career progression mapped onto stages of OD development

Industry	Operated as
Electricity industry	Hierarchical structure
Chemical/pharmaceutical	Value chain
Financial services	Process map
Automotive/ Oil	Eco-system
Nokia	Complex network
Not-for-profit	Adaptive system

I have never planned my career – it has evolved – but I have worked in numerous roles and role titles in organisations ranging from HR to strategy to systems architecture. At some sub-conscious level, I have always been attracted to the next natural stage of evolution of my OD approach. Sometimes I have joined an organisation not knowing what my role would be, but trusting I would find the appropriate place to be influential from. A key 'attractor' has been the person who I have reported to. People, more than brand, culture or sector have been my main decision criteria for moving between organisations.

Where does OD belong in an organisation? It is often viewed as a sub-set of HR, although I have never viewed it as this – actually quite the reverse. True OD can, and should, be facilitated from anywhere in an organisation. I have often adopted a Trojan horse approach – join the organisation almost in any role and then evolve influence and impact in a viral, bottom-up way. For me, my most successful interventions have been when nobody realised they were taking place. I earlier referred to 'opportunistic OD' – start wherever there is an opportunity and evolve and connect from there. OD for me is a pervasive and distributed capability within an organisation – not a department.

How do you measure its impact? Again, my experience has taught me not to fall into the trap of trying to answer this question in an overly analytical way. I have chosen only work in organisations where there was some existing belief that organisations have dynamic and self-adapting qualities. Given this pre-condition (even if held only lightly), I have found that approaching activities in a holistic, connected and open style soon becomes addictive. Success breeds success. My main measure of success is when senior leaders in the organisation are saying 'we can't start this project unless we have OD involvement from the beginning'.

3.4 Patterns for the future

So finally, what of the future of OD? I am increasingly noticing movement towards balancing the hard and soft elements of OD and I believe emerging themes for the future include:

- The evolution of organisation design through the influence of technology and social software into amorphous networks.

- OD linking more closely to 'strategic re-framing' rather than limiting it to the HR or people aspects of the organisation.

- Stronger links with communications and engagement – shaped by the emergence of a generation where technology is their key form of communication.

- The increasing emphasis on 'risk' as a framework for organisation design and decision making.

- Links to other frameworks such as governance and assurance.

- The current downturn moving organisations towards OE (Organisational Effectiveness) rather than OD.

I have had 25 great years working in and around this elusive field of OD. What started as a 'job' has morphed into my life. Fundamental concepts such as options, choices, paradoxes and boundaries are the way I choose to be in my personal and business worlds. It has been an adventurous learning journey with many paths still to explore.

4 Customer Perspectives

'Some of the most fundamental problems that we face stem from the fact that the complexity and sophistication of our thinking do not match the complexity and sophistication of the realities with which we have to deal.'

Morgan (1986)

One very important perspective, particularly in tough times, is what organisational customers expect from both the practice of OD and from OD practitioners themselves. We have seen that a key aspect of OD is partnering with organisational stakeholders and we first consider how the OD agenda is shaped. In addition to OD practitioners, we spoke to ten senior executives in both public and private sectors to find out what OD means for them and their organisations. We then looked at various recruitment agencies to see what kind of roles are on offer and what kind of skills and experience customers expect OD professionals to have.

In this chapter we look at:

- shaping the OD agenda

- customer focus for OD work

- where OD sits in the organisation

- customer requirements for OD professionals.

4.1 Shaping the OD agenda

As we head into evermore turbulent economic times, our research asked who or what was driving the OD agenda. Practitioners and customers highlighted a number of key drivers which are summarised in the box below and discussed in this section.

What is driving the OD agenda?

■ Driven by the external environment.

■ Driven by what is going on in the industry.

Who is driving the OD agenda?

■ Driven from the top.

■ Driven by enlightened leaders – wherever they sit in the business.

■ Driven by OD reframing and responding to the issues that people are facing.

Clearly the OD agenda is often driven by the external environment and the industry context. One person said *'it's about responding to world events'* and explained that, in a low-margin industry sector, the concern has often been *'how can we reduce costs and reduce costs intelligently? And focusing on what's our core business?'* In another industry, which benefits from higher margins and is challenged by huge skills shortages, developing talent was high on the OD agenda. An industry which attracts high performing individual contributors is concerned to '*get people to play to their strengths to create a high performing team'.*

Interestingly, rather than talking about OD in response to organisational strategy, practitioners were keen to point out that OD has a key role to play in forming and informing the organisation's strategy.

> *'I believe that the cultural side and the strategy are both part of OD.'*
> Head of HR and OD for a company in the pharmaceuticals sector

> *'It (OD) starts with, "what's the purpose of this organisation?" Everything else flows out of that.'*
> Former head of OD and HR in a public service organisation

Some practitioners were keen to point out that being invited to take part in strategy development is not an automatic right conferred with the OD title. Those who were on the senior management team in their organisations were quick to explain that they had earned a seat at the table through their business knowledge. One head of OD even described having to pitch against a well-known external consultancy in order to earn the right to lead the people stream of that organisation's strategy development process.

Unsurprisingly, the OD agenda is often driven from the top of the organisation by an enlightened CEO or managing director. However, it can also gain ground through other senior leaders who appreciate the value that OD can add, are in a position to support it and are able to influence their peers. In many cases, however, it is OD practitioners themselves who are connecting with the business and obtaining organisational data to inform the development of the OD agenda.

'*No one's coming to me and saying, that's what you need to do. It's about intelligently connecting with the organisation and almost making that happen for yourself.*'

Head of OD for a company in the oil and gas industry

While the OD agenda is essentially driven by business needs, it is shaped and honed by a number of factors including the organisational purpose, the organisational strategy and the personalities and preferences of the most senior people. Unlike HR or finance, where legal frameworks dictate certain activities to be carried out across all organisations, there are no regulatory frameworks specific to OD. For these reasons, OD can look and feel very different in different contexts.

4.2 Customer focus for OD work

OD consultancy ranges from one-to-one leadership coaching and work with individuals and teams to large-scale change projects. Senior executives describe in the next section a broad arena for OD work around efficiency, embedding strategy, capability, knowledge, change and culture.

4.2.1 Efficiency

As we might expect, top teams are looking for efficiency but look to OD to achieve this through harnessing the energy of their people rather than simple cost-reduction:

'One of the things you are constantly looking to do is drive efficiency and OD is trying to achieve that through behavioural and cultural aspects rather than taking costs out of the business; driving productivity through changing behavioural styles.'

Private sector

One local government OD role with a strong efficiency agenda identified managing performance as a key aspect of the role with OD taking responsibility for one-to-ones and development of follow-up plans.

4.2.2 Embedding strategy

Several of the leaders we spoke to in both public and private sectors clearly saw OD as closely allied to strategy and accepted their own role as central to setting the OD agenda. In the NHS, there is a strong change agenda following the Darzi review around quality, particularly safety, effectiveness and patient experience. Lord Darzi has stressed the importance of clinical and managerial engagement in what he describes as '*a rebuilding of the whole of the engine from the bottom up*'.

Several NHS chief executives therefore saw OD as an essential tool to support strategy, starting at the top:

'There is a really significant OD agenda and the focus is on CEs and their executive teams.'

NHS trust

One NHS chief executive who had taken over a failing Trust described the enormity of the turnaround required to rebuild morale and reputation. He described the distance between his own vision and the front service line as separated by the '*Himalayas*' of senior managers. His approach was therefore to devolve responsibility for change right down the organisation:

> '*My view of turnaround is different to most – usually there is a move to centralise control. My approach is that the bigger the problem, the more people you need to involve, so I went on a devolution approach as quickly as I could, which many thought was a high risk strategy.*'
>
> NHS trust

In one private sector organisation, the OD role underpinned a range of activity relating to strategy delivery:

> '*Diagnosis, design, delivery and evaluation of the strategies, policies, products, systems, infrastructure, capability and processes to enable achievement of key business strategies.*'
>
> Global bank

4.2.3 Building capability

Organisations in all sectors have had to continually build new capability in order to remain effective and most leaders saw this as a combination of having capable individuals and developing organisational capability.

> '*It's about developing the capability of the organisation. There is always quite a lot of change in the NHS. We have to make sure we have resilience and can move with those changes because we have capable people.*'
>
> NHS trust

> '*It's about designing and executing strategies to improve individual and team performance and improve the business's capabilities to deliver against their goals.*'
>
> Private sector

As alliances and cross-border working have become the norm, there has been a need to develop partnering skills. The public sector has had to adapt to a more mandated approach to working across regions and sectors. One local improvement partnership seeking to work across 13 different local councils wanted OD support to develop a collaborative culture and good partnering skills and behaviours.

> '*One of the strongest messages throughout the first year of the partnership has been that change requires 'systems thinking'. It challenges the island mentality. Even a small change in working practices can require changes to broader processes and systems. People can find themselves dealing with multiple changes and require different forms of support to allay anxiety or frustration.*'
>
> Local authority

A major change for this partnership was the need to move member councils away from a traditional top-down leadership style. Council chief executives described the best partnership leaders as: catalysts, facilitators, role models, values driven, culturally agile, mobilisers of resources, entrepreneurial/experimental and humble.

Leadership and executive team development are high on many organisational agendas, as well as leadership support which ranges from 'meeting design/facilitation' to change management, leading large-scale change and maximising business opportunities.

In one global financial services organisation, the OD director role had a prime focus of working with the top quartile leadership population to '*deliver an integrated leadership and organisation capability approach aligned to business strategy and key performance drivers*'.

Talent management often also falls within the remit of OD as part of building capability:

> '*We invest heavily for an organisation of our size in talent management. We put a lot into personal coaching, development programmes – a combination of both conventional development and OD – but I would put what we do with our leaders, managers, potential into that category, as well as the one-to-one coaching.*'
>
> Technology sector

For one retail organisation, the OD role was expected to partner closely with the talent and organisational capability teams and provide support for business unit leaders and HR directors in organisational capability, talent planning and development and leadership development.

4.2.4 Engagement

It is broadly recognised by many of the senior leaders we spoke to, however, that building capability alone is not sufficient and the behavioural science approach of OD is essential in changing mindset.

> '*It is about attitudes and behaviour. You can teach people skills but it's hard to change behaviour. If you get the right attitudes you can equip them with anything.*'
>
> NHS trust

Employee engagement has been high on the corporate agenda for several years now and is a key deliverable expected of OD practitioners by the senior managers we interviewed. Engagement surveys and becoming an 'employer of choice' were both important objectives.

They describe engagement as actively working towards the organisational strategy, as well as understanding and supporting the need for change.

> *'One of the key things is to get people to buy into the strategy and understand how they can relate and impact the strategy. It is a key thing in terms of getting belief and buy-in – that has a real potential to accelerate the strategy – not pushing uphill. I would classify the communication, the participation, the engagement as OD.'*
>
> Private sector

> *'OD is vital. If we are deadly serious about transforming services we need capable people who can work with our staff to engage them as to why change is necessary and what they need to do to change.'*
>
> NHS foundation trust

4.2.5 Evidence and knowledge

We have already seen in Chapter 1 that 'classical' OD was strongly evidence-based using theory and data analysis in cycles of action and learning. The 'learning organisation' legacy is still seen as important in a knowledge management role:

> *'OD has always used evidence and data and this is now used to inform a customer focused culture … There is a huge amount of knowledge in the business. The whole data gathering piece about talking to your customers and people in the organisation and extracting that information on what is important – crystallising what we think is important – re-engaging with the organisation and saying we want to be there – what are the key things we need to do to get there.'*
>
> Private sector

Another private sector organisation expected the OD consultant role to work through cross functional projects to:

> *'Capitalise on organisational knowledge and drive systems and processes that create a high performance culture.'*
>
> Private sector

In Chapter 2, we saw a reluctance by OD practitioners to measure outcomes. Nevertheless, one chief executive highlighted the need for evidence that interventions worked:

> *'OD will work if you can measure the output. Generally though it is seen as a process you go through, very woolly and never really results in change. To flood an organisation with an OD intervention with lots of activity but no measures would be a disaster.'*
>
> NHS trust

4.2.6 Managing change

Whatever the organisation's principal OD focus is, practitioners suggest it inevitably tends to involve some form of change, whether incremental or transformational. One senior OD role in a leading blue chip company works across 'design, development, communications, engagement, talent and change management'.

'OD is about change – hearts and minds – it is a skill – you can't do it by halves.'

NHS foundation trust

'Strategic development means doing things differently. There are programmes to embed change into the organisation – I do think of OD in that manner.'

Private sector

While major change has its own momentum however, sustaining, maintaining and building on change often presents an even bigger OD challenge:

'As an organisation we have done a huge amount of change but we are now on a plateau. We could easily slip off and I am looking for what can take us up. Change management – things like involving people, there wasn't a culture of workshops or large-scale meetings so people never took time out and met and talked.'

NHS trust

One chief executive had come to appreciate the importance of supporting a culture change with OD activity:

'I am a cautious sceptic about OD. A decade ago I wouldn't have given it much time. I have got more involved recently because of the emotional intelligence and psychological importance of change management – changing people and behaviours rather than systems – or to give it greater emphasis than how you do a particular process.'

NHS trust

The private sector is no stranger to using OD to support a customer-centric culture:

'An important perspective is customer service and satisfaction – getting the orientation and culture more outward looking and we have programmes to do that from bespoke training to specific actions in relation to the surveys we do.'

Private sector

4.2.7 Managing in tough times

One private sector organisation had been up for sale for two years. During that time the managing director believes that if they had not done things under an OD banner they would have experienced huge attrition in the organisation and disengagement, with people switching off and waiting potentially to lose their jobs. Instead, they had a good understanding of the market and a strategy to get there, giving people a vision of where they could participate and benefit.

'It is very important in tough times – trying to bring your organisation with you when you have rapidly changing market conditions, increased competition, economic uncertainty and you are up for sale – it's a bit of a challenge and if you don't take your organisation with you it will just die. Yes it [OD] has been important. We can't afford to lose key people.'

The retention strategy has been around engaging people in the future of the business. The managing director believes:

'It is probably more important in tougher times – in good times you get a natural buoyancy in an org and a feel-good factor and people are more receptive and easier to absorb change. When times are tough people get their head down, become introspective.'

4.2.8 Where OD sits in the organisation

In our final chapter we will consider what the future might hold for OD, but we took the opportunity to ask chief executives about the current positioning of OD in their organisations. There have been a plethora of new OD/HR titles recently and a rapprochement between OD and HR. In some organisations OD is still unstructured, informal and less well defined, albeit still very effective:

'OD sits in various places – we don't have a defined OD champion or group. Loosely some fall in HR and some in L&D … Do we ever bring this together into OD policy and strategy? No, but are we trying to change behavioural patterns? Yes.'

<div align="right">Private sector</div>

In other cases, the need to find it a home and a structural reporting line leaves an uneasy alliance.

'We have just brought OD and HR together and we will look to equip HR people with OD skills taking responsibility for leadership, culture and skills …. Many wouldn't know what OD does. It's a mixture of defining and communication that is needed … people don't fully recognise a team with one agenda and we haven't fully grasped the potential.'

<div align="right">Government agency</div>

Raising the profile of OD was similarly on the agenda for one of the NHS Trusts:

'We have set up a small team who have an internal consultancy role to help the directorates or the project teams deliver what they need to do and they are oversubscribed which is great. I want them to be in every direction so people can see the value of what they do.'

<div align="right">NHS trust</div>

4.3 Customer requirements of practitioners

We have seen in the chapter on practitioner perspectives (Chapter 2) that a lot is demanded of OD practitioners in the absence of a standard professional qualification.

To examine these expectations more closely, we did a sweep of the jobs advertised for senior OD professionals in the major recruitment agencies. We looked at what the candidate would be required to do, where they would report, the qualities, skills, qualifications and experience they were required to bring. A scan of 22 senior OD manager, consultant and director roles during September and October 2008 suggest that organisations are indeed looking for a broad range of skills, qualifications and experience. Most required a post-graduate qualification in organisational behaviour, occupational/organisational psychology or human resource management (HRM) and some were seeking business qualifications such as an MBA or practical six sigma expertise. A range of experience is also important from partnering with key stakeholders, leadership, project management, commercial and sometimes global experience to evidence of delivery in talent management, culture change, restructuring, organisational capability development and change management. Table 4.1 shows some of the range of customer expectations.

Unsurprisingly, senior managers suggest that people with these abilities are not easy to find.

> *'It is the changing hearts and minds stuff – the deeply culturally embedded stuff that we are not good at and I am not convinced we have a strong field of people who have those skills. The vast majority of organisations buy it in.'*
>
> NHS foundation trust

One organisation is, therefore, trying to develop some career pathways around both HR and OD roles:

> *'We are looking for professional experience and skills; credibility in an operational area. Self-confidence is important and most will have worked in other parts of the business. We are looking to develop careers in a more logical and structured way.'*
>
> Government agency

Our next chapter considers some of the career implications of these high customer expectations.

Table 4.1: OD customer requirements for senior OD manager/director and business partner roles

Range of qualifications required		
Minimum relevant degree or equivalent in HR related field: OD, org behaviour, org psychology	Post graduate qualification or equivalent: MSc occupational psychology; post graduate qual in org design or change; MBA; dip/masters in HRM or psychology	Full CIPD; six sigma; impressive academic record

Experience				
Partnership & consultancy	**OD/HR/L&D**	**Leadership**	**Project mgmt experience**	**Organisational experience**
Internal/external/senior leadership consultancy success. Successful working with, leading & influencing, leaders & colleagues. Working in partnership with key stakeholders. Working with unions. Well-developed consultancy approach. Strong background/experience of BP role. Relationship mgmt of multiple stakeholders.	Talent mgmt/high potential development. Achievements through metrics & ROI. Creating/implementing OD strategies. Organisational restructuring. Leadership/organisational capability mgmt. Strong L&D background & experience. Culture change in customer-centric model. Training/coaching at all levels. OD projects in HR or L&D capacity. Initiating/driving/facilitating change. Process improvement.	Highly autonomous working. Working at senior level. Leading an OC or OE team. Successful contribution to/& leading matrix teams.	Experience of working through project life cycles. Large scale project mgmt. Culture surveys. Leading nationally based L&D programmes.	Large complex orgs. Nationally dispersed businesses. Commercial experience. Global exposure in multi-country set up. Global blue-chip org/corp & consultancy environment. 10 yrs work exp in similar field.

OD/HR/L&D cont…			
Performance mgmt & assessment.			
Reward.			
Succession planning.			
Establishing effective performance culture.			
HR support to commercial ops or retail.			
Diversity.			

Qualities/Skills						
Organisational skills & autonomy	**Business & commercial acumen**	**Communication & influencing skills**	**Leadership**	**Consultancy skills**	**Strong delivery skills in areas of OD**	**Internal & external relationship mgmt**
Time mgmt. Planning. Used to working with a high degree of autonomy. Confidence in using own judgement. Project mgmt skills. Analytical skills.	Commercially aware. Strong commercial acumen. Demonstrate authority. HR generalist knowledge.	Strong communicator, good presentation skills. Fluent & able to persuade others. Influence without positional power. Excellent negotiation skills.	Leadership skills. Remote mgmt skills. Natural leader. Confident & credible.	Contracting, diagnostic and advanced consulting skills. Use of continuous improvement tools & methods. Desire to influence change. High level facilitation skill. Able to read situations.	Ability to evaluate & assess organisational capability & develop strategies/tactics to close the gaps & enable achievement of business objectives. Ability to prioritise, lead & manage change, implement systematic, practical talent planning & development processes at all levels.	Customer & delivery focused. Client relationship mgmt. Team oriented. Ability to operate at senior levels. Relationship building skills. Ability to operate in complex environment.

Source: OD roles advertised in September/October 2008

5 Career Perspectives

'The OD professional will be equipped with a new set of skills and a form of knowledge that may derive from the past but will not be tied to it. In that sense it is more self-critical and self-reflective.'

<div align="right">Grieves (2000)</div>

In the absence of a formal profession and recognised qualification, OD relies heavily on the ability of individual practitioners. We have seen that 'customer' expectations can be very demanding. Grieves (2000) describes the OD practitioner as a '*journeyman*', a term from the Middle Ages conferring status and freedom of movement. The journeyman acquires skills and knowledge to become a master craftsman.

5.1 The '*self as an instrument*'

Cheung-Judge (2001) also suggests that '*OD consulting necessitates a high degree of self-knowledge and personal development that must engage OD practitioners throughout their professional lives*'. She argues that '*among the many competencies required of us (OD practitioners) the use of self as an instrument is at the heart of our uniqueness and effectiveness*'.

OD still relies on the ability, effectiveness and commitment of individuals and can seemingly be a lonely role to play as one practitioner describes:

> *'I learned as well that working alone with a complex system is quite difficult. I was unable to internally hold all system members, that is, to take in all its parts, to validate them separately, to see them as all part of the whole. Yet during much of the project I held onto the grandiose illusion that I should do so—which speaks, I think, to how caught I was in the agency's search for a saviour and in my fantasy that I could be one.'*

<div align="right">Kahn (2004)</div>

A key dilemma, however, for the development of OD professionals is what might be described as a nomadic status in organisations. Most OD-specific academic

training and networks are still US based. There is no standard professional qualification or accreditation to demonstrate competence and practitioners are from a variety of career paths. Its corporate home is often dependent on the partnerships it forges with HR, learning and development, strategy, communications or other areas of the business.

With such broad development required of practitioners, it is unlikely that there is a quick fix or a single route to achieving this status of master craftsman other than through a long and varied apprenticeship.

One approach is illustrated with Sharon Varney's reflections on her own personal career journey:

5.2 My career journey – developing an OD mindset

This illustration briefly explains how my career developed and then reflects back on what now appear to be key stages in that journey.

5.2.1 Career building blocks

Figure 5.1: Career in a nutshell

Manufacturing (4 yrs) → Oil & gas (4 yrs) → Travel (3 yrs) → Banking (6 yrs) → Oil & gas (3 yrs) → Consulting

UK focus | International focus

The early years – broad business background

My career began with a commercial apprenticeship, where I worked in a number of commercial and support functions: purchasing, sales, quality assurance, training and personnel. I also worked on a project 'Task Force', providing support to senior managers and external management consultants who were seeking to improve and streamline the business under a quality banner. Having decided to specialise in marketing, I then spent two years working in product marketing and marketing communications.

A career in people and OD

When an opportunity came up in a commercial training role, I was invited to apply and became part of the training and development world. After commercial training, I moved into management development.

This was followed by a change of industry and role. Although still located in the training and development team, my role was an internal consultant and I

supported the directors of three business units with people and OD. After that, I moved into management and then senior management roles in learning and development in two further industries. The scope and complexity of the roles increased as did the international content.

Consulting

With solid experience in four industries (some low-margin sectors, others high-margin sectors; some business-to-business and others business-to-consumer), companies at varying stages of maturity (some growing rapidly, others facing maturity or potential decline), and of working with people from a number of countries around the world, I moved into consulting.

5.2.2 My OD journey

The traditional career journey outlined above really only gives a nod to the OD world. However, looking underneath I can trace the same journey in a rather different way. Below I have penned my OD journey in terms of the questions that arose in my work.

Key questions	Links to OD
Marketing	
What makes money for this organisation? What are customers' motivations to buy? What are sellers' motivations to sell?	Generated an understanding of external customers and how organisations connect with them.
Training & development	
How do we skill-up people to do the work that makes money for this organisation? How can we prepare people to take on the challenges of management at each stage of their career?	Collecting data on skills gaps, designing, delivering and evaluating interventions. While not OD, this provided useful foundational skills. Connecting people with good ideas and practices in one function and helping them develop their own solutions in their own context. Again, not OD, but good experience of working at and across boundaries.
Internal consulting	
How can we engender a greater customer focus through the business in this region? Why are finance people leaving when they qualify and what can we do about it? How can we be more effective in the way we work in the purchasing support area? How can I get my customer service managers to work together as a team, as right now they're all pulling in different directions? What are the values we share across this organisation?	This was OD by business unit. The partnership was with the directors of specific functions (operations, finance, purchasing, commercial, corporate communications).

Key questions	Links to OD
Learning & development management	
How can we help people understand where their role fits within the overall operation and how it impacts on other areas? How can we make sure we've got the people we need in a period of rapid growth? How can we accelerate the development of our new investment management business in Europe? How can we develop a learning culture to create a more resilient and flexible organisation? How can we integrate people from merged and acquired businesses? How can we develop a global project management capability, so that our clients don't just insist on working with the project managers they know? How can we bring a new sense of identity to this changed organisation? How can we improve communications internally?	These were critical organisation-wide issues and all sought to improve organisational effectiveness. My partnerships were with executives and senior managers – typically across functions. When learning and development interventions (such as leadership development programmes) were used, they were often the tip of the iceberg – the visible part of a wider OD intervention. The wider intervention would include a whole series of meetings, conversations and written communications which are vital, but less visible. At a higher level, the learning and development strategy and infrastructure also formed part of the broader OD intent. Managing learning and development gave me the chance to operationalise some of those supporting OD strategies in my own function.

OD, I would contend, is less about the title and more about the approach and mindset. From a fairly early stage, my mindset was all about enhancing organisational effectiveness. During my early career, senior managers highlighted the problem and the solution. While it offered the opportunity to build my business understanding and my skills, it was not OD.

In mid-career, functional directors would highlight the problem and I would work with them to understand the issues and develop a response. Is this OD? Some would say no, but I disagree. The boundaries of organisation are often more arbitrary than many suggest. Individual firms are part of a much wider interplay, the same as the business units within them. So OD, while always taking a system-wide approach, can work at a number of levels. The exact nature of the partnership might also be questioned here by OD purists. However, I believe that this type of engagement is typical for a mid-career OD professional.

During the last ten years or so, my work has been about engaging with the organisation and noticing areas for development, often at the interfaces and boundaries, which others may not have fully appreciated. Here OD has been more about developing a shared understanding of issues (often from a much wider perspective) and supporting others to help them develop their responses.

5.3 OD – can it be encapsulated in a set of competencies?

As an OD practitioner commented recently, '*there's something about OD that you can't put into a competency framework*'. Clearly, there are skills (business skills, consulting skills, interpersonal skills and so on) and experiences that are helpful in developing the potential of OD practitioners. There are also behaviours that high performing OD professionals typically demonstrate. So, what are the things that do not fit so neatly into a competency framework?

If the OD practitioner is an instrument of OD, rather than simply applying tools and techniques, then the internal becomes much more important. The question is not just what do OD people *do* to be effective, but how do they *think* about what they do in order to be effective?

Many OD practitioners have masters' level degrees which encourage the kind of critical thinking and reflection that is often so central to OD practice. Beyond that, however, it becomes much harder to capture the essence of OD thinking in a person specification.

The notion of self as an instrument goes further than double-loop thinking (to paraphrase Chris Argyris' term). It takes into account our whole internal world of thoughts, emotions, values, beliefs, anxieties and so on. The OD practitioner embodies all of that in how they engage with people and organisations. Unlike other fields of work, which focus more on tangible outcomes such as sales generated, positions filled and accounts filed, that person-to-person engagement *is* the work in OD. So, the whole person becomes that bit more important when we consider OD practice – and it is not easy to fit a whole person into a competency framework.

6 Future Perspectives

'When chaos erupts it not only disintegrates the current structure, it also creates the conditions for new order to emerge. Change always involves a dark night.'

M Wheatley (2006)

No one can consider how OD might evolve without first acknowledging the extreme and challenging nature of the current global economic environment. This chapter considers OD in tough times and into the future, then draws together a number of threads from earlier chapters to address the question posed right up front – OD: fish or bird? It finishes with some final thoughts on the value and relevance of OD.

6.1 OD in tough times

In spite of predictions of an end to boom and bust, bursting bubbles have been an inevitable part of economic life from the South Sea to the dot.com. In evolutionary theory such upheavals are known as 'punctuation points' that interrupt longer periods of relative calm, sometimes referred to as 'dynamic equilibrium' or 'dynamic stability'.

Beinhocker (1997) suggests that organisations have to both compete successfully in times of stability and be able to adapt and evolve during the punctuation points. He points out the dilemma of motivating a thriving organisation in a stable regime to take on the task of becoming more innovative and adaptive so as to meet challenges it cannot even foresee. Equally, a company struggling through a major punctuation point has not time to worry about long term agility. Tough times therefore become the test of how well organisations have used the intervening period to build agile and flexible structures that are able to weather storms in the external environment.

The role of OD and the types of interventions used in these periods of relative calm inevitably look very different from the activity required in difficult times that

have been aptly described as 'the edge of chaos'. At the edge of chaos, the future becomes unpredictable and organisations begin to feel unstable. Recent moves to stabilise the banking sector and stimulate the economy, for example, have seen old policies and golden rules abandoned in favour of emergency measures whose success is by no means guaranteed. There have been times when chaos and a total breakdown of the international market system have seemed inevitable.

Ralph Stacey (1999) proposes two critical factors that determine the type of OD activity required in such situations; firstly, the degree of certainty about causal links where actions lead to predictable outcomes and, secondly, the extent to which organisational agents agree on the nature of the problem facing them.

We have used Stacey's certainty/agreement concept with our own adopted image of bird and fish below to define the nature of OD. Where there is both agreement on the nature of the problem and there is a clear course of action, interventions will be more traditional, easily identifiable and straightforward. Where there is both high uncertainty and a lot of disagreement, where the future is essentially unknowable ie approaching the 'edge of chaos', it is a time for new thinking, self-organising and innovation.

Figure 6.1: OD: fish or bird?

Far from certainty

Far from agreement

Close to certainty
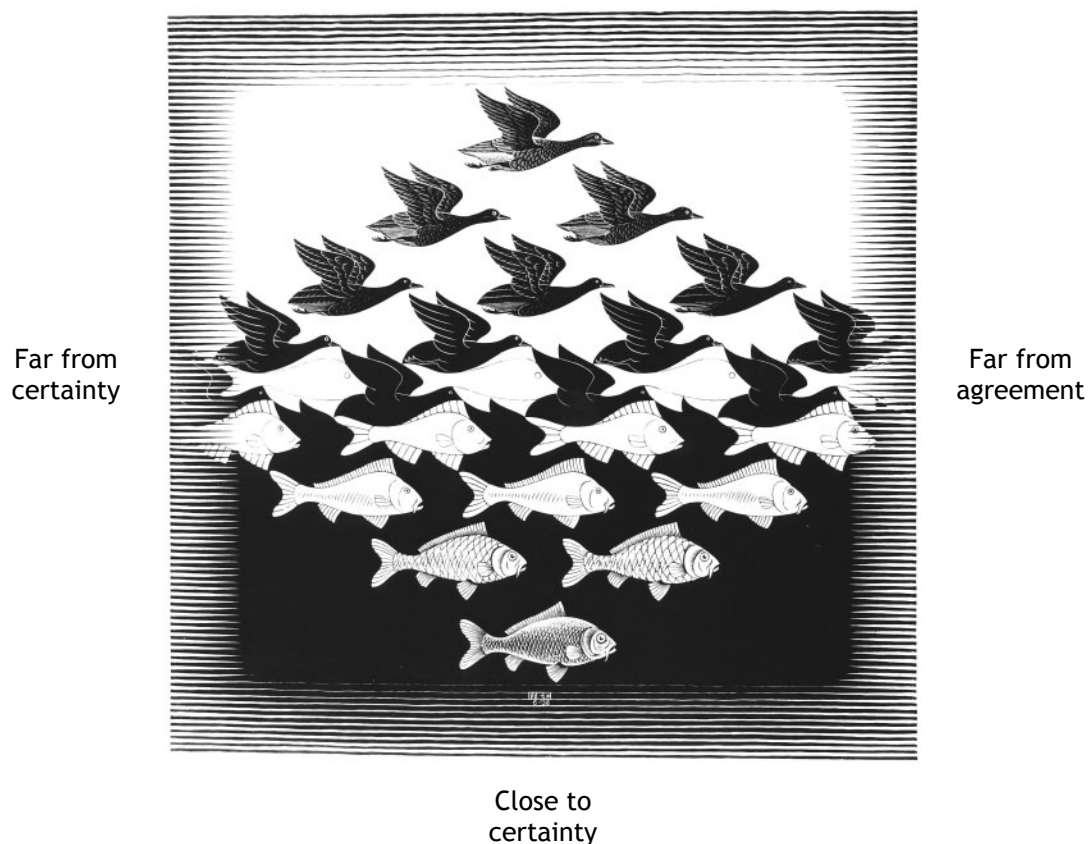
In tough times, Wheatley (2006) suggests that it is important to build networks, enhance communication, work collectively and allow direction to emerge with just enough process to avoid risk and chaos. The natural reaction, meanwhile, is to want to control, to regulate and to centralise.

Lane and Maxwell (1996) describe '*generative relationships,*' in which the interactions among parts of a complex system produce valuable, new and unpredictable capabilities that are not inherent in any of the parts acting alone. Surprising and innovative ideas can emerge from unpredictable corners of a complex system that fosters diverse relationships among the parties within the system.

At the edge of chaos, the facilitative nature of OD may become more important, ensuring connections are made within the organisation, enabling its self-organising properties to create new solutions.

6.1.1 Pressures for practitioners

OD practitioners in our research were generally bullish in the face of economic uncertainty and claim that OD is needed more than ever when times are tough. Change and uncertainty bring a greater need for OD, they told us, and a burning platform can make people more receptive. Continuing economic pressures and the war for talent intensify that need, we heard, as OD can '*help you keep your best people AND they will be more productive*'. There was also a belief that organisations have learned from previous downturns that drastic cuts mean playing catch-up later.

So, what value might OD add in tough times? Here's what OD practitioners had to say:

- OD can help organisations to re-focus on their core purpose.

- OD can help people to deal with stress and uncertainty.

- OD can help organisations be more efficient and effective.

- OD can help organisations to retain talent.

Despite the overall positivity about the value and the need for OD in tough times, practitioners were pragmatic in acknowledging that there is likely to be an increased focus on cost. Expectations are that this will require them to find more innovative approaches and to demonstrate value-added. Although stoic about the likelihood of programmes being cut, the big fear among some practitioners is of those in charge reverting to familiar behaviours in a crisis. For example, adopting a command and control style and narrowing their focus at a time that calls for greater participation and flexibility in the face of greater change and uncertainty.

While there is clearly an important role for OD to play in tough times, the challenge is for OD to ensure that that is understood by those who have the power and the purse strings.

6.2 OD: into the future

Recognising that the notion of 'punctuation points' might divert the expected evolution of OD, it is still helpful to consider what the future might hold by way of the current debates and emerging patterns in the field.

6.2.1 The HR/OD debate

How can OD avoid the terminal decline some have forecast in the US? Is it time for a strategic alliance or even a merger with HR?

Some have suggested that there should be a convergence of HRM, human resource development (HRD) and OD (Ruona and Gibson, 2004) or at least a strong partnership between them. Ultimately, all are striving to make organisations more effective through people. Burke (2004) had suggested that an *integrated* model where OD became integrated into all aspects of HR, with change as a primary responsibility, would be a practical way to strengthen both functions.

Ulrich's strategic business partner role with more of an OD focus has been widely adopted by major organisations but it remains a real bone of contention within the HR community. The main reasons seem to be that it tends to involve a change of title, but not of skill set and has resulted in divisions and conflict within HR itself (Bentley, 2008). Supporters of the business partner role, however, respond that it is poor implementation rather than the concept that is at fault.

We have seen in the chapter on the OD practitioner perspectives that they themselves do see the links and potential overlaps with HR and particularly strategic HR, but are quick to differentiate their broader role, sometimes seeing HR as a customer rather than a partner. OD practitioners' descriptions of the contrasts between HR and OD also highlight more of a 'free spirit', a reluctance to be tied to a department or function; the 'start anywhere, go anywhere' approach. There is still a strong sense of OD as being outside the system, working at the boundaries, retaining independence and not colluding with short-term, bottom-line focus. OD is not a formula-driven field and its systemic nature and organisation-wide remit mean that it rarely sits neatly in the organisational hierarchy.

It is likely that a merger with an established function such as HR would inevitably lead to absorption into the prevailing mindset and compromise OD's ability to challenge. There are warning signs that this may already be the case. Peck (2005, p. 23), for example, suggests that '*since 1997, OD in healthcare has to some extent*

become a servant in support of local implementation of national policy' leading to '*uncomfortable tensions*'. Edmonstone and Havergal (1995) also warn that, in the NHS, OD had become '*sanitised*' and '*a supporter of the status quo*' criticising the '*recipe books*' that '*portray OD as the application of problem-solving tools and techniques*'. They suggest OD had become the '*custodian of the softer organisational values*' and the terrain of the '*agony aunt*'.

6.2.2 Emerging patterns

Practitioners point out two emerging patterns in the OD field. The first is the increasing fragmentation of OD in the UK. The second is the enlargement of OD.

Increasing fragmentation

So why do practitioners see OD as increasingly fragmented? One reason is a perceived lack of professional status of OD in the UK (as opposed to the US). Part of this may be due to the lack of a professional body specifically for OD. According to one interviewee '*the people in OD are carved up*', split between the CIPD[1] and the '*rebels in AMED[2] and ODiN[3] who stay clear of CIPD*'. One reason for this split might be to do with the broad remit of OD, considered earlier. As another interviewee explained, '*The best OD folk are not talking with a people hat on, they're talking with a business hat on*'.

A second potential contributor to the perceived fragmentation of OD, for some, is the lack of an acknowledged centre for OD training. Two practitioners talked about a lack of professional development for OD people and felt that there was too much focus on tools and techniques which can be seen as largely '*the same stuff, packaged differently*'. One interviewee expressed his frustration with this:

> '*Lots of people going round, taking things off the shelf, trying this technique, that technique. That may be fine – at the time. But maybe it could be more effective, with the right type of development …. What does it all add up to in the end?*'

Differences in opinion over where OD is best situated also have the potential to further fragment the field. In addition to the debate over where OD should sit within the organisation, there are also diverging views about whether OD practitioners are more effective situated within or outside the organisation. One interviewee observed that many OD people are moving out of organisations to become independent consultants and attributed this to their own view that you

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[1]   Chartered Institute of Personnel and Development

[2]   Association for Management Education and Development

[3]   OD Innovation Network

'*can't do it from within*'. Another recognised that the internal practitioner needs to move on after a few years in order to bring a fresh perspective and challenge to their work, but felt very strongly that OD needed to be located inside the organisation in order to fully understand its culture.

Enlargement of OD

Some practitioners saw more and more people in organisations involved in improvement initiatives, often traditional OD territory, and explained that the boundaries can be fuzzy. For some, OD is becoming more business focused and is also attracting more people from commercial functions to OD work.

The idea of OD permeating throughout organisations might be where we need OD to go next. After all, almost no one nowadays would still advocate that managing people is purely the province of HR. However, the danger is that, without a strong centre of gravity for OD, the result might be a dilution of OD, rather than an important evolution. Together with the issues of fragmentation discussed earlier, this potential dilution could be a real danger for OD as a profession.

Taking all these ideas together, two questions seem to lie at the heart of where OD goes next. First, how can we create a centre of gravity for OD within organisations and as a 'profession', without constraining it? Second, how can we develop OD as a distributed capability without diluting it?

6.3 OD: fish or bird?

The tensions inherent in these debates about OD into the future help us return to our provocative opening question and the metaphor which underpins this research – OD: fish or bird?

At one level, this metaphor reflects the notion of OD practice being contextual. It is sensitive to specific organisations, industries and environmental conditions. It is developed through relationships. To enhance organisational effectiveness, therefore, sometimes OD may need to look more like a fish, while at other times, it more closely resembles a bird. At the boundaries, where OD so often plays a crucial role, our cover illustration highlights that those distinctions may not be so apparent. Asking it to be one or the other, for reasons of convenient classification, could undermine the potential for OD to add value to organisations.

At another level, however, our metaphor reflects the inherently paradoxical nature of OD. The point is not so much that OD is practised differently in different contexts (a bird in one and a fish in another), but that it embraces the paradox of being both. Taking the concepts of OD practice discussed earlier as examples, it is important that OD is not sometimes humanistic and sometimes business focused,

that sometimes it facilitates and at others it challenges. The richness comes from being *both* humanistic *and* business focused, from being *both* facilitative *and* challenging; from being *both* a fish *and* a bird.

6.4 Some final thoughts

OD has a long tradition and a strong legacy, which remains as relevant today in tackling worker alienation as it did in the post-war years. Both the social and the technical aspects of organisations would seem very different to pioneers of classical OD, but there is still a need for both a whole system approach and one that is underpinned by values whether these are the original human relations values or more general organisational values that inspire employees.

While the physical space of 'systems' gradually becomes less relevant, the art of managing and co-ordinating global, virtual and alliance teams has become a constant leadership challenge. Behavioural sciences and an understanding of social systems still have much to offer here, particularly in the use of 'pull' techniques or 'attractors' that tap into intrinsic motivation and lead to employee engagement.

Meanwhile, organisational design for a post global recession age is likely to be high on the agenda. Hock (1995) may well have been prophetic in his belief that our institutions must become '*chaordic*'. His key question then was '*whether we will get there through massive institutional collapse, enormous social carnage, and painful reconstruction, with the distinct possibility to that ultimate manifestation of Newtonian concepts of control – dictatorship*'. There are already calls for regulation, centralisation and more control.

OD practitioners, however, as we have seen, remain upbeat about the future and believe they make an important contribution in tough times through ensuring organisations use the energy in the system efficiently, encouraging learning and innovation, retaining a focus on the future and upholding values when they come under pressure. There are challenges, however, to become more short-term and bottom-line focused, provide ready-made solutions and deliver *changed* rather than *change ready* organisations.

OD will only remain relevant if it can continue to demonstrate value. The tendency for it to be defined currently in terms of tools and techniques paves the way for it to become quickly dated and there is constant pressure to find new ways to deliver value and support change.

OD in the UK has not yet become embroiled in the sort of self-doubting debate that has dogged HR for so long around whether it has a seat on the board, how strategic it is and how it can best measure value. Practitioners are quick to say that

if a CEO has to ask for measures of how effective an OD intervention is then it is not working. This may not be a view that is universally popular, although many senior executives also felt that they would know effective OD when they saw it.

Wherever OD sits in the organisation it will find allies and forge partnerships with like minded individuals who have an instinctive understanding of how organisations work and this is particularly effective when the leadership also has an OD mindset. Where HR and OD are sufficiently compatible they will naturally form a partnership rather than be structurally driven to an uneasy merger.

OD inevitably retains an aura of mystique because it takes so many forms, draws on multiple disciplines and operates in the moment according to context and culture. Genuine OD is non formulaic and is difficult to define, but taking multiple perspectives helps to create a contemporary picture of OD practice. While the debate around definitions and structures is interesting, it should not be allowed to undermine what is done and how it is done, nor limit OD activity to those with a title or a designated function.

Ongoing development for OD practitioners remains a real priority, however, as the nature of the work they do relies heavily on their individual ability to 'read' organisations and make effective interventions which are relevant and sensitive to the organisational context. Where HR practitioners are 're-badged' into an OD role, it is particularly important that they are not set up to fail.

Finally, OD has survived and evolved through embracing new challenges, new disciplines and new paradigms. Many practitioners have also developed more of a business focus than their forerunners. While the quest for organisational effectiveness and high performance, agile structures and processes, effective leadership and the challenge of change remain top priorities for senior managers, the requirement for OD is surely set to grow.

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Appendix 1: OD Definitions

'A planned effort, organisation-wide, managed from the top, to increase organisation effectiveness and health, through planned interventions in the organisation's processes using behavioural science knowledge.' (Beckhard, 1969)

'A response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure of organisations so that they can better adapt to new technologies, markets and challenges and the dizzying rate of change itself.' (Bennis, 1969)

'A process of planned system change that attempts to make organisations better able to attain their short and long-term objectives. This is achieved by teaching the organisation members to manage their organisational processes, structure and culture more effectively. Facts, concepts and theory from the behavioural sciences are utilised to fashion both the process and the content of the interventions.' (French et al., 2000)

'A planned change process, managed from the top, taking into account both the technical and human sides of the organisation.' (Schein, 1992)

'A system-wide application of behavioural science knowledge to the planned development and reinforcement of organisational strategies, structures, and processes for improving an organisation's effectiveness.' (Cummings and Worley, 2001)

'Organisational development is attempting to develop organisations with the ability and willingness to be continually reflexive about their own human processes and social structures.' (Hardacre and Peck, in Peck 2005)

'Arising out of the human relations, culture and organisational behaviour schools of thought, OD is a systematic process for applying behavioural science principles and practices and is directed at organisational improvement.' (Holbeche, 2006)

'OD is a leading behavioural discipline for teaching, research and practice devoted to applying its core values at senior levels of organisations by advancing the importance and participation of human capital in the design and change process while solving major internal and external strategic issues facing organisations.' (Greiner and Cummings, 2004)

Appendix 2: OD Glossary

Action research: a learning process by which real, practical changes take place in what people do through a process of examining and reflecting on how they interact with the world and with others in it, and on the discourses in which they interpret and understand their world. It is a process in which participants come to understand their position located in its political, cultural and social situation, and so can come to transform it. (Centre for Action Research in Professional Practice, University of Bath)

Appreciative Inquiry (AI): 'the cooperative search for the best in people, their organizations, and the world around them. It involves systematic discovery of what gives a system 'life' when it is most effective and capable in economic, ecological, and human terms. AI involves the art and practice of asking questions that strengthen a system's capacity to heighten positive potential. It mobilizes inquiry through crafting an 'unconditional positive question' often involving hundreds or sometimes thousands of people'. (Cooperrider and Whitney accessed at http://appreciativeinquiry.case.edu/intro/definition.cfm)

Autopoiesis: 'all living things share the same organisation known as autopoiesis. An autopoietic organisation is a network of production processes in which the function of each component is to participate in the production or transformation of the other components in the network. In this way the entire network continually "makes itself".' (Chapman, 2002, p. 41)

Chaord: 'any self-organizing, adaptive, non-linear, complex system, whether physical, biological, or social, the behaviour of which exhibits characteristics of both order and chaos or, loosely translated to business terminology, cooperation and competition'. (Hock, 1995)

Complex adaptive systems: 'a collection of individual agents who have the freedom to act in ways that are not always totally predictable and whose actions are interconnected such that one agent's actions changes the context for other agents'. (Plsek, 2003)

Emergent properties: relate to the whole system and are not present in the constituent parts ie the whole is greater than the sum of the parts.

Entropy: 'the amount of disorder in a system which is running down'. (Peck, 2005 p. 146)

Far from certainty: where neither agreement about the attributes of the system exists nor certainty about the nature of the interconnections is available, this can be characterised as the zone of chaos. (Stacey, 1999)

Future Search: a planning meeting that helps people transform their capability for action very quickly. The meeting is task-focused. It brings together 60 to 80 people in one room or hundreds in parallel rooms. It brings people from all walks of life into the same conversation – those with resources, expertise, formal authority and need. They meet for 16 hours spread across three days. People tell stories about their past, present and desired future. Through dialogue they discover their common ground. Only then do they make concrete action plans. (www.futuresearch.net/method/whatis/index.cfm)

Homeostasis: 'refers to the ability of complex adaptive systems to maintain certain governing variables within defined limits, for example body temperature'. (Chapman, 2002, p. 42)

Large group interventions: or whole system events are designed to engage members across a whole system in thinking and reflecting and so moving to planning action and acting together. (Bunker and Alban, 1997)

Large scale change: the emergent process of moving a large collection of individuals, groups, and organisations toward a vision of a fundamentally new future state, by means of high-leverage key themes, distributed leadership, massive and active engagement of stakeholders, and mutually-reinforcing changes in multiple systems and processes, leading to such deep changes in attitudes, beliefs and behaviours that sustainability becomes largely inherent. (Plsek, 2003)

Non-linearity: 'a non-linear effect occurs when the output is disproportionate to the input'. (Sweeney in Peck, 2005 p. 145)

Open Space Technology: was created in the mid-1980s by organizational consultant Harrison Owen when he discovered that people attending his conferences loved the coffee breaks better than the formal sessions. Combining that insight with his experience of life in an African village, Owen created a new form of conferencing. Sitting in a large circle, participants learn to create their own conference. Anyone who wants to initiate a discussion or activity, writes it down on a large sheet of paper and then announces it to the group.

They post their proposed workshop on a wall. When everyone who wants to has posted their initial offerings, it is time for 'the village marketplace': participants put together their personal schedules for the remainder of the conference. The most basic principle is that everyone who comes to an Open Space conference must be passionate about the topic and willing to take some responsibility for creating things out of that passion. (www.co-intelligence.org/P-Openspace.html)

Open Systems Theory: conceptualising organisations as living systems with a permeable boundary to the environment. Change in one system or part impacts other systems or parts.

Organising relations: 'The aim of science is not things in themselves, but the relation between things. Outside these relations there is no reality knowable'. (Poincare, 1958)

Positivism: 'a family of philosophies characterised by an extremely positive evaluation of science and scientific method'. (Reese, 1980, p. 450)

Post-modernism: 'the death of the grand narrative of society and history and celebrates the growth of multiple and often competing accounts of who we are, where we have come from and where we are going … it leads OD practitioners to focus on the identification of stakeholders and their contrasting perspectives and the potential for these perspectives to spark unexpected yet fruitful outputs when brought together'. (Peck, 2005, p. 5)

Punctuated equilibrium: 'natural endogenous feature of the evolutionary process occurs when times of relative calm and stability are interrupted by stormy restructuring periods, or 'punctuation points'. (Beinhocker, 1997, McKinsey Quarterly)

Real Time Strategic Change: developed by Jacobs (1994) to create an organisation's preferred future and sustain it over time. It is helpful where issues are complex and ill-defined. It is a whole organisation approach and can also include external stakeholders, sometimes involving up to 1000 people. For the 10 phases and six principles of RTSC see Jacobs' website: www.rwjacobs.com/phases.html.

Receptive context: 'a prerequisite for organisations, as complex adaptive systems, to produce coherent behaviour, to self-organise and to co-evolve'. (Peck, 2005 p. 147).

Self-organising behaviour: 'the tendency within complex systems for patterns of observable coherent behaviour to emerge from what initially appear to be random interactions'. (Peck, 2005, p. 146)

Self-referencing: the key to facilitating orderly change in an ever changing environment – organisations rely on a clear sense of their own identity, a composite of their values, competencies, experiences, successes and failures (Wheatley, 2006).

Social constructionism: 'argues that all of our social institutions – including our organisations – are phenomena that come about as a consequence of the local conversations (in talk or in text) that take place between participants in these institutions. The meanings that we attribute to organisations are thus multiple (because each of us has our own), negotiated (because we seek to find common ground with others), contested (because finding such common ground can be difficult) and transient (because we are frequently discovering new meanings in these conversations and discarding old ones)'. (Peck, 2005, p. 4)

Soft systems methodology (SSM): 'a structured way to establish a learning system for investigating messy problems'. (Chapman, 2002 p. 61)

System: 'taken to refer to a set of elements joined together to make a complex whole'. (Chapman, 2002, p. 29)

T groups: 'T group training focused on the way in which people in groups understand how their own behaviour impacts on other individuals and thus affects group processes'. (Peck, 2005 p. 10)

Transformational change: 'multi-dimensional, multi-level, qualitative discontinuous, radical organizational change involving a paradigmatic shift'. (Levy and Merry, 1986)

World Café: an innovative yet simple methodology for hosting conversations about questions that matter. These conversations link and build on each other as people move between groups, cross-pollinate ideas, and discover new insights into the questions or issues that are most important in their life, work, or community. As a process, the World Café can evoke and make visible the collective intelligence of any group, thus increasing people's capacity for effective action in pursuit of common aims (www.theworldcafe.com/what.htm)