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Organization Development

What We Know and What We Need to Know Going Forward

By W Warner Burke

AUTHOR

W. WARNER BURKE, PhD, was the first Executive Director of the ODNetwork. Currently he is the Edward Lee Thondike Professor of Psychology & Education at Teachers College, Columbia University, and the Program Coordinator of the Graduate Programs in Social-Organizational Psychology. He continues to consult with organizations worldwide and he teaches Leadership and Organizations at Columbia. Burke and David Bradford are working on a new book, *The Crisis in OD* that features current writings of well-known OD theorists.

IT IS TIMELY for us in the field to reflect, to think and talk with one another about some of the domains of knowledge and practice that have accumulated over the past 46 years, i.e., since the term organization development was first used, *circa* 1958, and upon which we count. Also to reflect on what we do not know, or, in any case, what we need to know more about. And wouldn't it be wonderful if we could somehow tap into what we are unaware of yet need to know?

Why should we think about the field of OD in this manner now, in this the year of our 40th Anniversary? There are at least two major reasons **it** seems to me. First, we do not normally sit at the tables of power. It is rather difficult to help with large-scale, strategic change if we do not have access, much less have the opportunity, to influence top executives of the organization we are working with. In the early days of OD work, people like Sheldon Davis (internal) and Dick Beckhard (external) had access and influence. Why not now?

Second, there is not much that is new about our practice today. Yes, appreciative inquiry has emerged, and large group interventions are now very much in use. But that's about **it**. Why do we not have more innovation?

In the interest of stimulating thought and potential action regarding these questions and at the very least provoking reflection, the further purposes of this article are to provide a current statement of what we know regarding the practice of OD, what

AREA ONE: THE PROCESS AND CONTENT OF OD

Often we concentrate more on process than on content, but we must not lose sight of the importance of both and the fact that process and content are not mutually exclusive.

What We Know — Process

Regarding process, the tried and true are Lewin's three stages of unfreeze, change, and refreeze with later elaborations by Lippitt, Watson and Westley (1958) into five phases. Schein (1987) further provided contributions to help us understand more thoroughly what unfreezing means and how this stage should be done: disconfirmation, induction of guilt and anxiety, and creation of psychological safety. At about the same time Beckhard and Harris (1987) gave us the now famous three-step process of planned change: present state—transition state—future state. And finally we have the steps of consulting (choose your version): entry, contracting, data collection, diagnosis, feedback, intervention and evaluation.

What We Know — Content

Work on an organization's vision, mission, and strategy play an integral role in shaping the content of OD practice. Successful OD requires a depth of knowledge about culture, particularly an understanding that culture is largely in the realm of the unconscious, below the waterline as in an iceberg. We also know the importance of leader selection and development based on a sound basis of what leadership is. And most of us in the field know that we are often "translators" — specifying management behaviors and practices that are manifestations of organizational values and attitudes, i.e., "mental sets." We are also familiar with the notion of climate and its distinction from, yet overlap with, culture. That is, that climate is more foreground than background (culture) and consists of such components at the work unit level as clarity, recognition, standards, participation, and mutual support. And, finally, we know a lot about

the primary criteria for effective performance management — goals and goal clarity, motivation and rewards, role clarity, work design, measurement, feedback.

What We Need to Know

Without necessarily making a distinction, here are some things we need to know about OD, be it content or process:

First, we need to know more about the differences between planned change and its implementation. In other words, we plan change in a linear fashion — phase I, then 2, 3, etc., yet in reality change occurs in a nonlinear way. In some respects *change management* is an oxymoron; in other respects it is really about dealing with unanticipated consequences and helping to bring order to chaos during the transition phase. Planned change never comes about as planned. We are constantly looping back to fix things that we did not anticipate nor plan.

Second, we probably understand that the most important aspect of planned organization change is *sustaining* the process once the initiative is launched. Comparatively, initiating change is easier than keeping it going. It's therefore about momentum, that elusive process of keeping motivation, energy, and spirits high especially when the change has been underway for a year or so and everyone is weary, wondering if they will ever get there, and asking about, if not questioning, the absence of leadership.

And what about communication — the process and content that everyone talks about? How and when, and how often, do we communicate about the change effort? Is it possible to over-communicate? If over-communication means raising expectations unduly, then the answer is yes. We do need to know more about what to communicate, when, and how often.

This first area of process and content is so broad that we could easily continue with many more “need-to-knows.” With further reflection in mind, we'll leave it for now at our needing to know more about linear vs. nonlinear, dealing with unanticipated consequences, momentum, and issues of communication.

AREA TWO: CHANGE LEADERSHIP

The importance of competent leadership for planning and implementing a significant organization change effort cannot be overemphasized. Without leadership, change in an organization simply will not occur.

What We Know

We know the importance of competent leadership regarding the development of the future state and the vision. It's all about direction. Also effective leadership is required for the development of a clear value base for the change effort. So, as we know, it's about direction and values, and the why regarding the necessity for change.

We also know the importance of distinguishing between leadership and management. There is overlap, of course, but organization development and change requires leadership far more than management, particularly at the onset. Leadership is also required perhaps more than management for sustaining the change.

We know something about another leadership distinction, too. It is easier to be directional if not somewhat unilateral about the establishment of change goals in the first place than it is to be highly directional about *how* to reach those goals. For every given goal there are myriad ways to get there, thus the probability of disagreement is significantly higher regarding implementation. The wise leader will be very participative and involving regarding implementation.

And, finally, we know how critical it is for leaders, especially in times of significant change in the organization, to openly and clearly match their words to their actions. My favorite phrase is the audio needs to match the video.”

What We Need to Know

A friend of mine founded, over 20 years ago and still runs, a highly successful search firm. He and his associates typically find top-level executives for their client organizations. Over lunch a couple of years ago he admitted that even though successful at placement, most executives only lasted in their new job for about two or three years. He speculated that the primary issue was about the fit between the executive's personality and demeanor and the organization's culture; he believes there is usually a lack of adequate fit. I believe my friend's

speculation is largely on target, and therefore I think we need to know much more about this phenomenon of person-culture congruence.

Referring to one of the two questions I raised at the onset —sitting at the tables of power — I think we need to know more. First, we need to have a stronger interest in power and politics and to make it our business to learn more about dealing with individuals who wield power and about how the political system works — the undiscussables about power in organizations. Second, we need to understand ourselves better in this area, our reluctance to deal with these phenomena and why. Why are we more interested in self-actualization than in manipulation? Yes. I know we are into values here, but can we at least talk about these things? What about authority? Are we too shy or too counter dependent? My point is that we must not continue to avoid the organizational underbellies. We must get into this arena and learn all that we can.

AREA THREE: ORGANIZATIONAL STRUCTURE

Organizational structure? Isn't this old-hat stuff? Not anymore read on.

What We Know

We know that contingency theory is *the* theory in this domain of organizations. There is not one best way to design structurally an organization. The type of structure depends on strategy, mission, and business plans and models. The old joke about “let's get organized and then figure out what we are going to do” doesn't apply.

We also know that hierarchy is not going to fade away, It has been said that the only commonality across all organizations, regardless of the nature of the organization or where it may be in the world, is hierarchy. The form that hierarchy takes is not always formal and may also be transient — the leader at any given time may be informal and temporary — but exists in one form or the other nevertheless.

And we also know that the answer to the question of whether the organization's structure should be centralized or decentralized is “yes.” It's not a question of

whether, but a question of which organizational functions should be centralized and which ones decentralized at the same time.

What We Need to Know

Self-directed groups are in vogue, but we still do not know much about how they can be effective and for what purposes. And most self-directed groups I have seen are only partially, not fully, self-directed. Ironically one of the primary roots of OD is the small group. We ought to know a lot here, and maybe we do, but not nearly enough, like what is the relationship and nature of authority between the self-directed group and the larger system, how to rotate and share leadership effectively, and other such questions.

We could learn a lot more about the dynamics between large and small — how do small groups fit with and support the larger group and vice versa? How is the whole something more than the sum of its parts? How do we maintain community with small groups? How to conduct large group interventions with the effective use of small groups? With all that is happening within and around us, isn't it obvious that we need to know more about cells and networks, and the self-making system way of thinking (autopsies)?

We know that as organizations grow differentiation is more the norm than integration. And clearly the latter suffers. The constant hue and cry is about “silos” and “stovepipes” with the consequent lack of boundary spanning. The boundary-less organization is a figment of Jack Welch's imagination. So, we need to know much more about how to promote and reward integrative activities. We talk about cross-functional groups but don't seem to enact them. How come? And what and where should we take action?

Finally, how much do we know about the magic number, 150? As Gladwell (2000) pointed out, this number of people is a “tipping point.” It is about group size and what is optimal. Gore Associates, before Gladwell wrote his book, never had a plant larger than 150 individuals, and the religious group, Hurt rites, have maintained for several hundred years the rule that no community of believers should be larger than 150. The underlying principles, theory, and research are about *social channel capacity* and *transitive memory*. We need to know about these systematic phenomena and how to use the knowledge more broadly and effectively.

AREA FOUR: REWARD SYSTEMS

I doubt if as much has been written about reward systems as has been written about leadership, but there is considerable knowledge to be sure. So I am limiting my coverage to two areas of knowledge that remain problematic.

What We Know

We know that people do what they are rewarded for doing, but what people do and what they are rewarded for doing are not always the same. Remember Kerr's (1975) classic piece, "On the folly of rewarding A, while hoping for B"? So we know that what we reward may not be what we had in mind. One of our roles as an OD practitioner is to be very diligent about this tendency to reward the wrong behavior.

And we also know that pay for performance schemes rarely enhance performance. These schemes reward past behavior, and things change. If pay for performance does work, the effects do not last long. Moreover, pay for performance in some respects has become like a mere extension of salary, even a hygiene factor. In any case, we know that we cannot simply eradicate these schemes. After all, people now have expectations and feel entitled. But we also know not to fool ourselves into the belief that pay for performance does not typically increase productivity nor enhance overall performance. To take it away, however, is likely to *decrease* productivity and performance.

What We Need to Know

Obviously, then, we need to know more about how to link desired behavior, especially new behavior required for organization change, with adequate reinforcements.

And much has been studied and written about intrinsic motivation and rewards but I for one do not feel that I know enough. For example, there is some evidence (though not conclusive) that the more we attempt to reinforce behavior with extrinsic rewards, the more we run the risk of lessening the effects of intrinsic reward which is more powerful for enhanced and sustained motivation.

Showering you with money for your performance may detract from the meaningfulness of the work and therefore mitigate intrinsic motivation. My use of words such as “some evidence” and “may” instead of *will* is indicative of our need to know more.

I love Csikszentmihalyi’s (1990) work on “flow” but I don’t pretend to understand it fully. To “get lost” in a task or hobby is fun, and shouldn’t we try to understand this phenomena more in the interest of making work more meaningful and enjoyable? Perhaps what I am stating is not all that new. It is, after all, about giving people autonomy in their work and rewarding significant achievements. Yet the dynamic of flow itself is worthy of more study and understanding. Can we not learn, perhaps, more about how to reshape certain aspects of work so that flow is more likely to kick in”?

AREA FIVE: TRAINING AND DEVELOPMENT

In the early days there was nor a great deal of distinction between training and development and OD. Today, however, we are more likely to use training as one of the levers for an overall change effort. Yet much of OD emerged from training, especially experiential.

What We Know

What we now know is how the T-Group and group relations conferences from Tavistock in the UK influenced OD. For example, multi-rater feedback (the more accepted label for .360deg feedback”) in a sense is a present-day version of the earlier less-structured forms of giving and receiving feedback interpersonally and in small groups. We, of course, know how critical feedback is to learning and we have evolved into a more acceptable way to provide it in the organizational context. All is not perfect with multi-rater processes, however. We need to know’ more.

We have also learned a lot about how adults learn. For example, traditional classroom techniques are nor especially effective. We now understand how important it is to involve adult learners in the *process* of learning.

What We Need to Know

Action learning is now au courant but I'm not sure that we know enough about how to make the process work effectively. It's not easy. It is one thing to say that action learning is about dealing with task and process at the same time and in an integrative manner, and quite another to facilitate this combined mode of learning. Do we really know how to help group members understand how process affects content and vice versa? Can we show how faulty processes diminish task effectiveness? Knowing how to do these things and passing this knowledge along is the essence of action learning.

We need to know more about how to use individual development as leverage for OD and how to use OD for individual development. A few years ago I was asked by a former client to come to see him about the company's use of multi-rater feedback. He had received his feedback and had been "coached," but as he bluntly told me, "I don't get it!" When I met with him, I asked about the purpose of the multi-rater process: Was it linked to strategy, to business plans, to an overall organization change initiative? He said as far as he could tell it was none of the above. They seemed to be doing it because the CEO and head of HR wanted all the senior executives to "go through" this process. In other words, there seemed to be no link between multi-rater feedback and organizational goals whether for change or any other larger system purpose.

So we need to know more about linking individual development with organization development and how to use training and development as leverage for OD.

The final need-to-know' in this area is the matter of coaching, particularly in the service of multi-rater feedback. We know that multi-rater feedback alone does not appear to enhance one's performance. Many do not seem to know what to do with the feedback. Does coaching make a difference? There is early evidence that it can help. Recent studies by Lurhans and Peterson (2003) and by Seifert, Yukl, and McDonald (2003) indicate that systematic follow-up using competent coaching can contribute positively to one's performance. These findings, empirically based, are encouraging, but we are barely there regarding this kind of experience and know-how. We need to know much more.

AREA SIX: TEAMS AND TEAMWORK

In addition to training and development, early OD (1960s) was characterized largely as teambuilding. We know how to do it!

What We Know

Teambuilding and teamwork are all about group dynamics, boss-subordinate relationships, interpersonal relations and mutual support (or the lack thereof) within the group, and integrating process with task. In fact, teambuilding might be the “cornerstone” of OD practice. In my case, I “cut my OD teeth” on teambuilding, as I suspect many if not most of us did.

What We Need to Know

It is now time for us to take team dynamics to deeper levels of knowledge and skill. These deeper levels are in at least three sub-areas:

1. As noted already we have only scratched the surface of knowledge and skill regarding action learning. We have much more to learn about the integration of task and process.
2. What do high performance teams look like? Can we measure it? And how do we sustain a high performing team? These are questions that need much clearer answers. And incidentally, could we please drop the sports analogies? A high performing basketball team is nothing like a high performing work unit, task force, or project team in an organization. At least we know that much!
3. What is synergy — *reality*? I have spent considerable time looking at videotapes of seven- or eight-person groups who achieved synergy on tasks with measurable outcomes and based on sound criteria of what is success. The picture is not pretty. There is little order to the process — people talking over one another, seemingly very little listening, and apparent chaos in trying to get the task accomplished on time. Yet the teams performances by the criteria used for successful outcomes were nevertheless outstanding. What’s really going on here? I, for one, would like to know more.

AREA SEVEN: ORGANIZATIONAL PERFORMANCE

Finally, we are in the domain that is near and dear to most managers' hearts: Results!

What We Know

We know how to measure organizational performance at least in financial terms. We also know the importance of measuring and understanding organizational performance at different levels —individual, group or business unit, and total system. We also know that measurement of performance is anything but simple.

What We Need to Know

Much is spoken about the “balanced score card” and many organizational executives say that they do it, but I am not convinced. It seems to be mostly talk with little if any real action. Yet Kaplan and Norton's (1996) four “scores” make sense: in addition to financial factors, measures of customer satisfaction, innovation, and internal business practices are just as important. So, we need to know more about how to influence executives regarding their myopic perspective of what is important in measuring organizational performance.

We need to know more about how mission, strategy and especially an organization's culture influence performance at all levels. We have the earlier work of Kotter and Heskett (1992) where they demonstrated links between culture and performance, but there has not been much since. Executives today know that culture is significant; they simply do not know how to discern what about culture has a direct impact on performance. We need to know more about how to help with this discernment — how historical ways of doing things no longer make sense, that is, no longer have any positive affect on the bottom line. We know how important such activities as “work-out” (one of Welch's initiatives at GE) can be, but we do not know enough about how to create a sense of urgency in tackling undue bureaucracy. An initiative I am currently attempting to get a client organization to undertake I have dubbed “battling bureaucracy.” At least it might be a way to focus on the linkage between culture and performance.

CONCLUSION

As stated at the outset, these seven areas for our consideration and reflection are, after all, selective. There could have been seven others. You might consider writing a counter or commentary piece entitled something like, “What Burke Should Have Said But Didn’t.” But let’s not lose sight of our intent here — to stimulate reflection, to examine our field and ourselves with respect to what we can count on, yet what we must know more about.

I have been asked which among these seven I would consider to have the highest priority. Clearly I think all seven are highly important, but if I had to choose, say, two areas, they would be *leadership* and *structure*. The more I practice OD, the more I am convinced that there is no substitute for competent change leadership. And before the events of September 11, 2001, I doubt if structure would have been at the top of my list. But the tragedy of 9/11 stunned me. How could such an informal, clandestine system, a system seemingly without structure, do what they did? We must learn more about such systems — cells, nodes, networks — for the good they can do across and within organizations yet at the same time what potential they have for evil.

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