ORGANISATION    DEVELOPMENT    :


A   FORMATIVE   EVALUATION   OF   AN   OD   INTERVENTION




THESIS




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# ABSTRACT

Rapid changes and increased competitiveness in business environments, together with greater demands by employees for improvements in the quality of their work lives, make it necessary for organisations to review their operating styles and functions. Many companies have found an answer in Organisation Development (OD) which focuses on ways in which people associated with organisations learn to diagnose and solve those problems which limit organisational effectiveness.

The present study evaluates the progress of an OD intervention underway in an organisation in Zimbabwe.

A formative evaluation is undertaken during an OD intervention. It is designed to assess the change effort's progress in such a way that steps can subsequently be taken to correct, modify or enhance such aspects of the intervention as may be determined by the evaluation.

The study begins with a review of the company's original and revised Mission Statements as well as the present and last two sets of corporate three-year plans. These documents inform the construction of an interview guide. Individual interviews are then used to ascertain attitudes of respondents to the OD intervention and the changes it is bringing about. In addition the interviews are used to gauge the degree of commitment of respondents to the intervention. All the senior managers in the organisation are interviewed as well as the holding company's chief executive and the external consultant facilitating the intervention.

The study records fundamental changes taking place in the attitudes of top managers and the first signs of an impact of these attitude changes on the formulation of company plans. Management styles and the culture of the organisation also show some change and influence on routine business operations. In addition there are early indications of an alteration of behaviour at other levels in the organisation.

Business outcomes are improving and it is proposed that the benefits are due to fortuitous market developments assisted to an extent by the culture and attitude changes brought about by the OD intervention.

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# INTRODUCTION


The debate about Organisation Development, or "OD", the label most commonly used in the literature and in the field, continues. The focus has swung from attempts at a definition to the history of its development; from aspects of its values and ideals to models for change; from discussions about what constitutes corporate culture to the role of leadership in change processes. And beyond the debate about the nature of OD lies the extensive past and present debate about OD's effectiveness and relevance to organisational outcomes (French, Bell & Zawacki, 1994).


Action research is the foundation for many OD interventions. It has been called both a model and a process. As a model it has been seen as a route map facilitating change, a simplified representation of what goes on in a change effort. As a process it is felt to be a cycle where research is followed by change activities, the results of which are fed into further research (Rothwell, Sullivan & McLean, 1995). But here purists have argued that such research is less scientific and rigorous than that which conforms to the generally accepted norms. These tensions have led to much debate in both scientific and OD circles.


Formative evaluation is part of the action research process. It has been defined as a set of planned, information gathering and analytical activities which are undertaken to provide those charged with leading or facilitating a change effort with an assessment of the effects and progress of the intervention (Beckhard & Harris, 1977).


This study is the formative evaluation of an OD intervention presently under way in an organisation in Zimbabwe and it is undertaken against the background outlined above.

**LITERATURE    REVIEW**

The purpose of this section is to sketch a context for the research question, an evaluation of an OD intervention presently under way in a particular organisation, and to provide a foundation for the discussion in Chapter 4. These objectives are undertaken through an overview of the relevant literature. The review begins with an examination of **Organisation Development,** how it is defined and its characteristics. It continues with a brief look at OD's history and its values, and goes on to examine factors essential for success in OD and the increasing need for OD. Finally, some aspects of managing OD change efforts are explored.

The **Action Research** process and its linkages with the steps followed in an OD intervention are investigated next and this provides a framework for the review of **Evaluation Research,** the core of the research question.

## 1. ORGANISATION  DEVELOPMENT  REVIEW

The amount of significant, often traumatic, change in organisations has grown tremendously over the past two decades and continues today (Kotter, 1996). This "white water" turbulence (Stacey, 1996) forces organisations to adapt in almost every respect or to face inevitable and painful failure.

Organisation Development is increasingly being seen as a way to effectively manage change and many contemporary organisations are turning to it to help alleviate the problems involved in managing this change (Rothwell, Sullivan & McLean, 1995).

### 1.1. Definitions  and  Characteristics

There have been many definitions of Organisation Development, and explaining what OD is and what is done by those who practise OD continues to be difficult. The field is still being shaped to some degree and the practice of OD is more of a process than a step by step procedure. According to Burke (1987, p. 9),

OD is a consideration in general of how work is done, what the people who carry out the work believe and feel about their efficiency and effectiveness, rather than a specific, concrete, step-by-step recipe or algorithm for accomplishing something.

However, despite these difficulties, many attempts have been made to define OD. Two of the most comprehensive and frequently quoted definitions are:

Organisation Development is a top-management-sponsored, long-range effort to improve an organisation's problem-solving and renewal processes, particularly through a more effective and collaborative diagnosis and management of organisation culture - with the assistance of a consultant-facilitator and the use of the theory and technology of applied behavioural science, including action research (French & Bell, 1990, p. 17).

Organisation Development is a set of behavioural-science based theories, values, strategies, and techniques aimed at the planned change of the organisational work setting for the purpose of enhancing individual development and improving organisation performance, through the alteration of organisation members' on-the-job behaviours (Porras & Robertson, 1992, p. 772).

These definitions and others (Beckhard, 1969; Bennis, 1969) imply several key points which deserve elaboration.

i) Organisation Development is defined as being directed towards improving **organisation performance.** This is probably the most widely recognised aspect of OD. An OD specialist is usually asked for help when problems limit organisational effectiveness. The problems may be organisation-wide; they may be within divisions of the organisation; or they may be at the level of the workgroup or individual. But whatever the level, organisational performance is diminished and requires an improvement (Smither, Houston & McIntire, 1996).

ii) OD is **long range in perspective.** It is not a "quick fix" strategy for solving short term performance problems. OD is a means to bring about complex change, and moves beyond quick and unworkable solutions to

complex organisation problems. In many organisations OD is coupled with strategic business planning (Rothwell, Sullivan & McLean, 1995).

iii) Organisation Development should be supported by **top managers.** They are usually the chief power brokers and change agents in any organisation; top managers control an organisation's resources and reward systems and they are often powerful role models in behaviour change. Although OD efforts can be undertaken at any organisation level without direct top-management participation, OD is less likely to succeed if it does not have at least tacit approval from top management (Burke, 1982).

iv) OD effects **change** chiefly, though not exclusively, **through education.** OD expands people's ideas, beliefs and behaviours so that they can apply new approaches to old problems. But even more importantly, OD change efforts go beyond employee training interventions and concentrate on the workgroup or organisation in which new ideas, beliefs or behaviours are to be applied (French, Bell & Zawacki, 1994).

v) Allied to OD's ideas about change through education is OD's emphasis on the development of the organisation's members. It is grounded in the belief that **human beings** have an intrinisic **need** for **psychological growth.** Organisation structures or practices which limit opportunities for personal growth are therefore ultimately harmful to the organisation. By assisting in the development of individual workers or workgroups, OD practitioners believe they are improving the effectiveness of the organisation as a whole (Smither, Houston & McIntire, 1996).

vi) Organisation Development emphasises **employee participation** in diagnosing problems, considering solutions, selecting a solution, identifying change objectives, implementing planned change and evaluating results. In this sense OD differs from other methods that hold managers or specialist consultants responsible for the success or failure of a change effort. In the practice of OD everyone should have an opportunity to contribute to - and accept responsibility for - the continuous improvement process. The results of one study revealed that most OD consultants believe in "empowering employees" by giving them a say, if not the chief say, in decision making,

creating open communication, facilitating the ownership of change processes and outcomes, promoting a culture of collaboration and promoting enquiry and continuous learning (Van Eynde, Church, Hurley & Burke, 1992, p. 44).

Organisation effectiveness and humanistic values come together as employee ownership increases in change processes and outcomes (Rothwell, Sullivan & McLean, 1995).

vii) Another important point regarding the definitions is that they highlight the fact that OD is **based in the social sciences.** There are many ways in which organisations can be changed, such as new accounting systems, physical layouts or even management structures. But such management interventions are not necessarily OD. OD emphasises knowledge from the social sciences which OD specialists use to make organisations function more effectively. Usually such knowledge concerns relationships between individuals. Financial experts or engineers may introduce change into an organisation, but if their changes are not based in the social sciences, then such changes will not be considered as being an OD intervention (Smither, Houston & McIntire, 1996).

viii) The definitions also note the importance of a **consultant facilitator** as a catalyst and change agent in the OD process. Hanson & Lubin (1995) describe the consultant as "a professional person, usually an outsider, who attempts to help organisations work more effectively". OD consultants differ from expert technical consultants in that they do not usually address content or task issues (such as personnel selection, designing or redesigning jobs, or setting salary schedules). The expert consultant deals directly with a problem and leaves the scene once it is solved. The OD consultant sees the organisation as a system and works with individual, group and organisational processes. OD consultation is not prescriptive and does not usually give advice or solve problems for the client. One goal of the OD consultant is to help the client become a better problem solver (Hanson & Lubin, 1995).

Schein (1988, p. 11) refers to the consultant's work as **process consultation** which he defines as

a set of activities on the part of the consultant that helps the client to perceive, understand and act upon the process events that

occur in the client's environment in order to improve the situation as defined by the client.

Block (1981) sees a consultant as a person who is in a position to wield some influence over an individual, group or organisation, but who has no direct power to make changes or implement programmes. He distinguishes between managers and consultants in that managers have direct control over the action, whereas consultants do not.

Hanson & Lubin (1995, p. 108) summarise some characteristics of the consultant-client relationship as

* The relationship between the consultant and the client is voluntary. Either one can withdraw from the relationship if his or her needs are not being met.

* Both consultant and client become interdependent. They share in all the OD activities including decision making. Collaboration is the keynote of the relationship.

* The consultant has no line authority and cannot operate independently of the client. The consultant does have strong influence (derived from expertise status), however, on the programme decisions and directions.

* The consultant sees that part of his or her role is to assist the client to increase OD skills and competencies in order to develop and implement diagnosis and action plans.

* The consultant is primarily concerned with process issues and not with content.

* When the project is completed, including follow-up and evaluation, to the satisfaction of both consultant and client, the consultant will exit the organisation.

* Finally, there is an assumption that the consultant is competent in OD theory. and has some background in the behavioural sciences.

An important factor in selecting either internal or external change agents is finding people with the skills needed to address the human aspects of the introduction and implementation of change. Once again many researchers of organisational change have specified the qualities of

successful change agents, but Smither, Houston & McIntire (1996, p. 63), quoting Porras & Robertson (1993), have brought these together and put forward:

* Interpersonal communication skills, including listening, empathy and the ability to support, nurture, and influence others.

* Theory-based problem solving capabilities, including a knowledge of theory and methods of change and the ability to link this knowledge with organisational realities.

* Educational skills, including the ability to create learning experiences and to model appropriate behaviour.

* Self-awareness, including the ability to recognise one's own feelings and have a clear understanding of one's own needs and motivations.

ix)  Nadler (1992) uses the term **organisation architecture** to define the elements of social and work systems that make up a complex organisation. These elements are made up of both the formal structure, including the design of work practices, and the informal organisation, with its culture, roles, norms as well as its processes for selection, socialisation and development of people. The definitions of OD focus on both the formal and informal aspects of an organisation, and Smither, Houston & McIntire (1996) hold that in general OD models of organisation are more comprehensive than models from other fields. The OD models also place more emphasis on factors that influence the organisation to change.

Porras & Robertson (1992) have produced a model in which the factors in the internal organisational environment which shape and guide the behaviour of workers fit into four categories: organising arrangements, social factors, physical setting, and technology. These categories represent the areas on which OD practitioners focus when examining organisational problems.

The **organising arrangements** are the formal elements that co-ordinate the behaviour of people and groups in an organisation. According to Porras & Robertson (1992) they include goals, strategies, structure, administrative policies and procedure, administrative systems, reward systems

and ownership (the documentation of the rights of the people who own the company).

**Social factors** involve the characteristics of the people in the organisation and their many relationships, which include the culture, management style, interaction processes, informal patterns and networks, and individual attitudes.

**Physical setting** includes factors such as how workstations are arranged, lighting, heating, indoor/outdoor workstations, interior design and architectural design which can either facilitate or impair effective functioning by individuals.

**Technology** includes tools, equipment, machinery, information technology, job design, work flow design, technical expertise, technical procedures and technical systems.

In this model the key strategy for organisation change is to manipulate the factors listed above so that they provide workers with consistent and congruent messages about desirable behaviours. When change occurs in one category and not another, people become confused and their responses will be inappropriate and difficult to predict. If technology is changed, for example, without taking people into account, morale and productivity are likely to fall.

x) Smither, Houston & McIntire (1996) propose that the best way to ensure that all factors which make up the internal environment are co-ordinated is to establish a **vision**. The vision is the force which guides the organisation. It is based on the core beliefs and values of the organisation and is a long-term commitment of the organisation to its workers, shareholders and customers. Values that are meaningful and put into action make an impact. Farnham (1993) undertook research into mission statements and values of organisations, and developed the view that a useful way for organisations to conduct a self-examination of their goals and values is the collaboration of organisational members in the writing of a mission statement. In addition, as one of Farnham's (1993) respondents argued, when people share the same values a built-in quality inspector comes into existence. A mission statement spells out

the company's goals and purpose in black and white. Farnham (1993) holds
that one of the greatest contributions a consultant can make to an
organisation is to guide the organisation members in writing their
mission statement. Although people may think they have a common purpose
and common values, putting these into words is sometimes difficult.
Writing a mission statement containing values on which everyone agrees
is important, and often the best person to lead such a process is someone
from outside the organisation who can be objective and fair to all
members of the organisation.

From his research Farnham (1993) developed a number of rules for writing
a mission statement and values. These include involving everyone.
Although discussion typically starts with top management, it should not
end there. If the consultant expects commitment from employees, they
need to have a say in developing the mission statement. The organisation
should arrange for all employees to attend group meetings in which each
group develops a statement that describes their view of the
organisation's mission. In addition each group should identify what it
values.

Farnham (1993) felt that since no two statements will be alike, they will
need to be combined and integrated with top managers usually deciding on
the final wording. Workgroups, however, can add their own customised
mission statement and values as long as they do not conflict with those of
the organisation. If there is no resistance to the compilation of a
mission statement, it may mean that people are complying and not
thinking. Part of the benefit of having a mission statement and values
is to get people to think about the larger goals of the organisation and
their own part in reaching these goals. Then, too, agreeing to a
statement differs from defending a statement. People should be
challenged to describe what they mean and why it is important.

Finally, Farnham (1993) stated that putting the mission statement and
values into words is only the beginning. The organisation must use them
to examine their policies and decisions. People inside and outside the
organisation are quick to remark a company that espouses high values but
does not practise them. The mission statement and values are a standard
to be used in an ongoing process of renewal and organisation development.

xi) French, Bell & Zawacki (1994) note that OD consultants try to inculcate diagnostic skills, self-analytical skills and reflexive skills in organisation members based on the belief that the organisation's members must be able to diagnose situations accurately in order to arrive at successful solutions. Teaching the client to diagnose and solve problems and to take corrective actions is the goal of the OD consultant. The overriding goal is that the client members learn to take this action themselves. French, Bell & Zawacki (1994) maintain that this tenet derives from nondirective therapy notions suggesting that responsibility for improvement and change rests with the individual (organisation) which needs to change, not in some outside agent. This is supported by most discussions of normalcy and maturity in psychotherapy which include the patient's ability to solve problems, adapt effectively and cope effectively as criteria for a healthy organism. Much of the OD literature suggests that learning how to learn is a desired outcome of OD interventions. There is thus a unique character to the nature of OD interventions; the intent is that the client organisation should become proficient in solving its own problems – present and future – by itself.

## 1.2. The History of Organisation Development

Determining the moment of birth of OD is not a simple, clear-cut matter. The history of OD is rather one of gradual evolution. Rothwell, Sullivan & McLean (1995) hold that OD's evolution can be viewed from two separate but related perspectives. The first **philosophical perspective** maintains that the basic assumptions of OD were influenced largely by a philosophy about people, work, organisations and change which swept through many disciplines in the late 1950s and the 1960s – the Human Resources School of Management Thought. This influence remains important and widespread.

The second perspective is **methodological.** The basic techniques of OD stemmed from experiments conducted by applied social scientists in the early twentieth century. Many OD techniques were introduced during this period.

### 1.2.1. Philosophical Influences

Miles (1975) holds that management thinking in the United States, where OD originated, has undergone three major stages of evolution. Each stage

presented a different view of people, work, organisations, and change. However, some understanding of the **Human Resources School of Thought** is important as background for a deeper understanding of OD.

This school emerged as a direct response to an economic recession and to evidence that the Human Relations School, which preceded it, had not generated effective workplace applications (Wren, 1979). The intellectual forerunners to the Human Resources School included **humanism,** the key values of which include a firm belief in human rationality, human perfectibility through learning, and the importance of self-awareness (Wren, 1989). Psychologists such as Rogers and Maslow proposed a new view of people and change. Rogers' (1942) central assumption was that people have a lasting desire to improve themselves and to satisfy their needs. Maslow (1954) contributed new ideas about human motivation which suggested an evolutionary pursuit of needs fulfilment. In education, Knowles (1972) explained that adults learned in ways significantly different from those used by children and that successful adult learning experiences must take into account adult learners' experiences and values. Houle (1961) asked why people learn, and put forward three primary reasons. He categorised learners by their chief orientation to the learning experience – the love of learning itself; the desire for social relationships; and the desire for practical information to use in solving immediate problems.

In economics Ginzberg (1958) stressed the importance of human effort and creativity in the production process and added a new dimension to the debate about the values of land, labour and capital. This debate laid the groundwork for a Human Capital Theory of Economics, which examines human contributions to productivity improvements.

In management, Argyris (1964) developed new ideas about work, workers and organisations. Argyris (1964) believed that bureaucratic organisations foster individual dependence and passivity. People in them tend to be locked into distinct roles and subjected to an authority structure that makes action and creativity difficult to exercise.

## 1.2.2. Methodological Influences

Burke (1987), in an attempt to explain the origins of OD, identifies three separate but related behavioural-science applications. These are

sensitivity training, socio-technical systems, and survey research and feedback.

### i) Sensitivity Training

An early forerunner of OD, this application is associated with unstructured, small-group sessions in which participants share their experiences and learn from their interactions. Unlike employee-training sessions which focus on increasing individual knowledge or skill in conformance with the participant's job requirements, sensitivity-training sessions focus on group processes and group dynamics. In the small group discussions the primary, almost exclusive, source of information for learning is the behaviour of the group members themselves. Participants receive feedback from one another regarding their behaviour in the group, and this feedback becomes the learning source for personal insight and development. Participants also have an opportunity to learn more about group behaviour and intergroup relationships (Rothwell, Sullivan & McLean, 1995).

Burke (1987) holds that sensitivity training, T-groups and laboratory training are all labels for the same process and that T-groups are educational vehicles for change, in this case individual change. During the late 1950s this form of education began to be applied in industrial settings for organisational change, and the T-group became one of the earliest interventions of organisation development.

Rothwell, Sullivan & McLean (1995) report that participants in T-group training had difficulty in transferring insights and behavioural changes to their work lives. This problem increased interest in conducting such sessions in a single organisation, a technique that has evolved into what is now called **team building,** an important OD intervention.

### ii) Socio-technical Systems

Major contributions to the evolution of OD are found in the socio-technical systems developed by researchers of the Tavistock Institute in the United Kingdom at about the same time as sensitivity training began in the United States (French, Bell & Zawacki, 1994).

According to Burke (1987), an important experiment in work redesign was conducted for coal miners by a team of Tavistock researchers. Before the experiment, coal miners worked closely in teams of six workers. Each team maintained control over who was placed on the team and they were rewarded for team, not individual, production. Teams tended to be cohesive. New technology was introduced to the mine, changing work methods from a team to an individual orientation. The result was a decrease in productivity and an increase in absenteeism. The Tavistock researchers recommended that the new technology could be used by miners when grouped into teams. When the researchers' advice was implemented, productivity rose to previous levels or higher and absenteeism decreased significantly.

The key contribution to the evolution of OD by the Tavistock socio-technical systems was the emphasis on social subsystems. The Tavistock researchers believed that organisations are composed of key subsystems. One such subsystem comprises the people in an organisation. Their needs must be taken into account if a change is to be successful. Consequently, to effect change successfully, OD should focus on how a proposed change might impact on work methods.

### iii) Survey Research and Feedback

This approach to change also made an important contribution to the evolution of OD and was developed and refined by teams under the direction of Likert (1961). He became widely recognised for his innovative use of written survey questionnaires to collect information about an organisation and its problems, provide feedback to survey respondents and stimulate joint planning for improvement. This technique became known as survey-guided development (Burke, 1987).

Likert's (1961) method began to evolve when he observed that organisations seldom used the results from attitude surveys to guide their change efforts. Managers authorised the surveys but did not always act on the results. This approach produced greater frustration among employees than would have occurred had their opinions not been asked for in the first place.

According to Burke (1987), the centrepiece of Likert's (1961) approach was a technique called the **interlocking conference.** Survey results were given to top managers during the first conference, and then other conferences were held to inform the organisation's successively lower levels. In each conference, group members worked together to establish an action plan to address problems or weaknesses revealed by the survey. This top-down strategy of feedback and performance planning ensured that the action plan devised by each group was tied to those at higher levels.

Likert (1961) developed a philosophy about organisational systems which governed much of his work. He believed that any system can be categorised into one of four types based on eight key characteristics. The four organisational types are

| | |
|---|---|
| System 1 | Exploitative – Authoritarian |
| System 2 | Benevolent – Authoritative |
| System 3 | Consultative |
| System 4 | Participative |

And the eight characteristics are leadership, motivation, communication, interaction, decision making, goal setting, control, and performance.

Likert (1961) developed a fifty-one item questionnaire to measure these characteristics and believed that System 4 management was the "ideal" for an organisation. In this system, leadership is based on influence rather than authority or power; employees are motivated through the intrinsic rewards stemming from the work itself; and communication is balanced – a great deal of two-way interaction between managers and employees being the key. Likert (1961) justified System 4 as an ideal because he found that

> supervisors with the best records of performance focus their primary attention on the human aspects of their subordinates' problems and on endeavouring to build effective work groups with high performance goals (Likert, 1961, p. 7).

## 1.3. Values of Organisation Development

Although one of the defining characteristics of OD is its basis in the social sciences, its method of research and practice differs from the general social science model. According to Smither, Houston & McIntire

(1996), OD specialists interpret the data they discover in organisational situations within a standard set of values. They do not construct theories from the raw data; rather they interpret whatever they discover within the framework of the traditional values of OD.

Hanson & Lubin (1995) note that as OD evolved out of sensitivity training, it carried with it the basic values of this discipline related to human beings, learning and change. These values are not rigidly formulated but are held as guidelines to behaviour. According to Smither, Houston & McIntire (1996), people are the cornerstone of organisational success. Organisations are essentially networks of human relationships, and organisations therefore do not exist outside of the people who constitute them. How these people work together affects the quantity and quality of the product and most OD specialists focus a large part of their efforts on interpersonal relations, attitude change and personal growth.

i) A basic value of OD, according to Smither, Houston & McIntire (1996), in which all other values are embedded, is embodied by the term **humanism** which mandates that behaviours must be guided in a way that does not discount, diminish or dehumanise any person or group.

ii) The belief in **personal growth** is another basic value of OD, according to French, Bell & Zawacki (1994). All OD practitioners believe that situations can be improved by educating employees and by introducing change. Change of itself will not necessarily bring positive results, but planned change can be effective in helping individuals and organisations to meet challenges. OD practitioners also believe that organisations which can adapt to meet the challenges of changing environments are likely to be the most successful in the long run. This leads to the concept of a "learning organisation", which refers to organisations which make a practice of analysing their experiences in order to respond more effectively to their internal and external environments. According to Senge (1990), a "learning organisation" is the opposite of a "knowing organisation". Knowing organisations discover a successful way of accomplishing their goals, and they apply their formula over and over, and at different locations. When standardised procedures lead the organisation to fall short of its goals, the procedures are further refined. Very

often knowing organisations focus all their attention on refining procedures and never address the real problems which have caused their procedures to become outmoded. In contrast, learning organisations emphasise the need to maximise the learning which comes from meaningful interaction with employees, customers, suppliers and even competitors; such organisations develop cultures in which all organisational members are responsible for learning from experience and for intervening to use their learning to make the organisation more effective.

iii) OD specialists believe that virtually all workers are open to change and that most people need challenge and growth in their jobs. This belief found expression in McGregor's (1960) Theory X and Theory Y approach to organisations. In McGregor's classification, Theory X organisation managers typically believe workers are unmotivated, avoid challenges and dislike responsibility. The job of a manager is therefore to control employee behaviour by rewarding and punishing. Theory Y managers, on the other hand, operate from the belief that workers need challenges and growth. Workers like challenges, in fact, and the manager's job is to provide opportunities for the workers to reach higher levels of performance. OD practitioners firmly believe in a Theory Y approach to managing.

iv) Another important value of OD, according to Smither (1994), is its recognition that emotions, personal values and interpersonal relationships are a critical part of an organisation's success. It sets OD apart from other methods of organisational change which do not recognise the irrational and interpersonal aspects of organisational life. This value acknowledges the field's historical roots in group relations.

v) According to Rothwell, Sullivan & McLean (1995), OD specialists also believe that organisation functioning is enhanced when people feel comfortable about expressing their opinions and their feelings; that conflict which is expressed and addressed openly can be very helpful in bringing about change.

vi) Hanson & Lubin (1995) explain that people will support what they help create. They will be more highly invested and committed if they

participate in decisions and in solving problems that affect their lives both at work and elsewhere.

vii) Another value of OD, according to Smither, Houston & McIntire (1996), is that organisations must be considered as systems with inter-dependent parts and subsystems. Changes in one area of an organisation are likely to affect other areas. In addition changes in the behaviours of certain individuals in an organisation are likely to result in behavioural changes in others, although these resulting changes may not be immediately apparent. For this reason the influence of an OD inter-vention may not be visible for some time after the intervention has occurred and the delay makes evaluation of the success of change efforts difficult.

## 1.4. Conditions under which OD will and will not be successful in Change Efforts

Mirvis & Berg (1977) warn that OD cannot automatically solve any organi-sation problem, and that when OD is applied to the wrong situations it can fail as dramatically as other methods intended to initiate or manage change. It may, however, be used effectively when the following conditions exist:

* A key decision maker in the organisation perceives the need for change and the majority of top management do not actively oppose change.

* The perceived need or problem is caused, mainly, by conditions in the work environment, such as relations between individuals or workgroups.

* Managers in the organisation are willing to commit to long-term improvement.

* Managers and employees are willing to listen with open minds to the key assumptions of OD as articulated by a facilitator-consultant.

* Some trust and co-operation exist in the organisation.

* The management is willing to provide the resources necessary to support an intervention.

However, OD may not be an appropriate solution for introducing change when the conditions mentioned previously are not met, and, especially, when the following conditions exist:

* Nobody, apart from the consultant, feels a need for change. The decision makers reject the notion that change is appropriate and prefer things to remain as they are.

* Managers in the organisation prefer appearances to reality and seek "quick fixes" to give the illusion that management supports change.

* Managers or employees are unwilling to listen to key assumptions and values of OD. Coercion or persuasion is preferred.

* Distrust is so prevalent among decision makers that they are unwilling to speak to one another to begin resolving conflicts.

* The organisation's culture is so strong that managers are reluctant to call in outside expertise, especially when qualified talent is not available inside the organisation.

Liebowitz & Mendelow (1987) add to these views by categorising four sets of issues which can impede the linkage between OD and an organisation's strategy. They propose that the lack of top and line management commitment is the central issue. Without such commitment few, if any, OD efforts can succeed. The other categories proposed by Liebowitz & Mendelow (1987) are those related to OD professionals; those related to line managers; and those that inhibit the integration of OD into strategy.

The **issues related to OD professionals** include a lack of clarity about OD, where OD is not clearly defined and may be used in inappropriate conditions. The credibility of OD professionals may also be an issue, when line management has little faith in the competence of the OD professional because of the professional's perceived lack of sensitivity and ability to analyse problems adequately. The results of OD may be difficult to quantify as well when success in an organisation is measured in direct quantitative terms alone. Finally, Liebowitz & Mendelow (1987) believe that many OD professionals lack the ability to identify and appreciate line management's priorities and are therefore unable to sell either OD concepts or themselves.

Liebowitz & Mendelow (1987) feel that **line managers** must resolve two issues before OD can become a part of the strategy of the organisation

concerned. These issues include a less than adequate strategic plan, where the so-called strategic plan is no more than a long-term extrapolation of the organisation's current performance which ignores the need for top management to develop a vision of the organisation's future. The second issue concerns the pressures placed on top management to secure short term results, particularly pressures exerted by such external forces as the stock market and the media. This leads to an overvaluation of short term "quick fix" solutions which an OD effort does not offer.

**Integration issues** outlined by Liebowitz & Mendelow (1987) include the failure to view OD as part of the organisational fabric, when OD is viewed as an add-on rather than as a way of life for both employees and managers in the organisation. In situations such as this, OD is unlikely to be linked to the formal reward structure and line managers are not held accountable for the extent to which they actively foster the OD effort and apply its philosophies. As a result compliance might be obtained but there will be little action in the OD effort. Finally, Liebowitz & Mendelow (1987) note that resistance to change might often occur throughout the management hierarchy when managers' perception is that their power will be compromised by including OD professionals and their ideas in the process of formulating corporate strategy. This is especially true when current corporate results are considered acceptable.

## 1.5. The Increasing Need for OD

For Bergquist (1993) the future involves a move from modernism to post-modernism and the postmodern organisation will have to deal with both chaos and order. The scenario will include often confusing elements of stability and accelerated, even unpredicted, change. Those organisations which in the future will not only survive but also thrive will have a "core of being" portable across a range of situations. Change will be a constant dynamic and there will be no preoccupation with "unfreezing" behaviour (Lewin, 1951) because freezing will no longer have value in the business culture. The aim of every manager will be that every human resource is optimised (Bergquist, 1993).

Pascale (1990) says that as managers emerge from the machine era, organisations will feel as well as think. Hard logic will run alongside soft

management dimensions such as shared values and acceptable management styles. Managers of the future, according to Pascale (1990), will be facilitators whose job will be to empower workers to initiate improvements and change. One of a manager's prime functions in years to come will be the development of the "making sense of" abilities of employees.

Drucker (1992) tells us that the organisation of the future will have fewer than half present management levels and less than a third of the managers, and will differ greatly from the "manufacturing model" of today. He talks about the information-based organisation which will be dominated by service organisations of specialists who direct their own performance through ongoing feedback from colleagues, customers and the head office.

Deal & Kennedy (1982, p. 5) note that "... people make businesses work. And we need to relearn old lessons about how culture ties people together and gives meaning and purpose to their day-to-day lives."

Deal & Kennedy (1982) capture the special link between business success, people at work, and organisational culture. The argument for engaging with behavioural work is powerful, even though it is less comfortable than technical, accounting and procedural work. The primary reason for this is that people are emotional as well as logical. Whitely (1995) suggests that people are not a "static commodity". It is a sobering thought that, depending on the way people are managed, they can either work to minimal specifications or unleash the sort of enthusiasm, energy, tenacity and synergy which illustrates the potential of human capacity and creativity.

Finally, Rothwell, Sullivan & McLean (1995) state that the paradox of our times is that change has become the only constant. Changes occur in organisations every day. Organisations are started, some (a small minority) evolve and some dissolve. Some undergo mergers, takeovers or buyouts; some go bankrupt. Changes in corporate ownership may result in corporate downsizing, early retirement offers or various other staffing alterations. To cope with the fierce competition faced by organisations, senior managers may take steps which include the introduction of total quality management (TQM), self-directed work teams, skill-based pay and

business process re-engineering (Organisation Development, 1991). But the focus increasingly lies not on just any type of change; it lies rather on planned, systematic, and educationally oriented change that is carried out for organisational improvement. It is a focus on OD (Organisation Development, 1991).

## 1.6. Managing Organisation Development and Culture Change

Stacey (1996) says that it is not sufficient to analyse the environment and then set out the planned actions logically required to achieve an organisation's goals in that environment. What actually happens in an organisation does not depend on such rational considerations alone. It depends just as much on the behavioural factors - belief systems, social interactions, cultures, group behaviour and individual psychology. Action plans will not be implemented if they run counter to the belief system, or if they adversely affect social structures, or if they do not motivate people. For this reason it is necessary to plan changes in beliefs and cultures to support the required actions. OD is therefore a long-term programme of intervention in the social, psychological, cultural and belief systems of an organisation. These interventions are based on certain principles and practices which are assumed to lead to greater organisational effectiveness.

The principles and practices are to do with identifying those beliefs, values and cultures conducive to achieving an organisation's goals - the desired culture - and then designing a systematic and deliberate change programme to move from the current to the desired culture.

One of the pioneers in this line of thinking was Lewin (1951) and the main assumptions on organisational dynamics made by OD specialists can be explored by looking briefly at some of the key points he made. His models of the change process in organisations have had an important impact on subsequent thinking. The discipline and practices of OD with its culture-change programmes have been heavily influenced by Lewin's (1951) thought.

Lewin (1951) saw the organisation change process in the following terms:

* Before any social change the organisation can be thought of as being in a state of equilibrium in which all members share the same culture.

* Then some trigger such as falling profitability, poor product or service performance, declining market share or an announcement of reorganisation upsets the balance. In other words, some environmental change causes a degree of internal change. As a consequence the existing management recipe of what the business is all about and how it should be run is challenged. This is the first stage of organisational change and Lewin (1951) calls it **unfreezing**.

* When the organisation's balance is upset it causes confusion and people search for new management recipes. This is the second stage of organisational change, called **reformulation**. It comes to an end once a new management recipe has been identified, one that is believed to match the change environment.

* The third stage is **re-freezing**, in which people are converted and persuaded to accept the new recipe. The organisation then returns once more to the harmony and stability characterised by people all sharing the same culture. If the organisation is to survive, this new recipe must be one that is more appropriate to the changed environment.

One could argue that all these interventions are a form of social engineering, which might have sinister overtones were it not for the insistence of OD that culture change programmes will only work if they are collaborative. The culture change programme must be one that leads the people involved to see for themselves why they should change their culture to a new desired state (Smither, Houston & McIntire, 1996).

OD, according to Stacey (1996), is therefore about a comprehensive approach to planning changes in behaviour in an organisation. This kind of thinking leads to the rejection of piecemeal culture change as the effective way to alter belief systems. Simply affecting one of the driving or resisting forces is thought to be unlikely to move the whole system but changes to the entire system must take place if the organisation is to alter sufficently to survive. OD is built on the idea that feedback, planning and reviewing lead to success.

Senge (1990) makes an interesting observation when discussing how structure influences behaviour. He says, "When placed in the same system, people, however different, tend to produce similar results" (Senge, 1990, p. 2).

He then goes on to state that the systems perspective encourages us to look beyond individual mistakes or bad luck to understand important problems. We need to pass beyond personalities and events to underlying structures which shape individual actions and create the conditions where types of events become likely. By the term "structure" as used in this sense, Senge (1990) does not mean the logical structure of an argument or the reporting structure shown by an organisation chart. "Systemic structure" is concerned with the key inter-relationships that influence behaviour over time. Senge (1990) goes on to say that it is important to understand that when the term "systemic structure" is used, it does not just mean structure outside the individual. The nature of structure in human systems is subtle because individuals are part of the structure. This means that we often have the power to alter structures within which we are operating.

Senge (1990) makes the point that more often than not we do not perceive that power. In fact, we usually do not see the structures at play at all. "We just find ourselves feeling compelled to act in certain ways" (Senge, 1990, p. 44).

But the reason for the importance of structural explanations is that only they address the underlying causes of behaviour at a level at which patterns of behaviour can be changed. Structure produces behaviour and underlying structures can produce different patterns of behaviour. In this sense structural explanations are inherently generative (Senge, 1990). Also, since structure in human systems includes the operating policies of the decision makers in the system, redesigning our own decision making redesigns the system structure (Senge, 1990).

Stacey (1996), in discussing the nature of causality, notes that simple unidirectional linear connections between cause and effect are being questioned increasingly by scientists, who are beginning to realise that this view of the relationship between cause and effect is far too simple

and leads to an inadequate understanding of the system's behaviour. Greater insight comes from thinking in terms of the mutual or circular causality found in feedback loops. Management style may cause success but success affects the style adopted by managers (Stacey, 1996).

Senge (1990) adds another dimension to this view when he talks of re-inforcing processes, where a small change builds on itself. For instance, physical exercise can lead to a reinforcing spiral; one feels better and exercises more, thus one is rewarded by feeling better and exercising still more. Senge (1990) calls this a "snowballing process" and notes that it can be both positive (as in the exercise example) or negative (where poor sales experiences lead to less satisfied customers, less positive word of mouth, and fewer sales).

Kotter (1996) has proposed eight reasons why organisations fail in their transformation attempts. He goes on to say that none of these change errors would be so costly in a slower moving and less competitive world. But the problem for today is that stability is no longer the norm and most experts agree that over the next few decades the business environment will become yet more volatile. Kotter's (1996) list of eight common mistakes includes:

* **Allowing too much complacency**: Kotter (1996) feels that the biggest mistake people make when trying to change organisations is to plunge ahead without establishing a sufficiently high sense of urgency in managers and employees. Transformations always fail to achieve their objectives when complacency levels are high.

* **Failing to create a sufficiently powerful guiding coalition**: Major change is impossible unless the head of the organisation is an active supporter and at least a number of other key players with a commitment to improved performance pull together as a team. In most successful transitions the coalition is powerful in terms of positions, information, expertise, reputations, relationships and the capacity for leadership.

* **Understanding the power of vision**: Vision plays a key role in producing useful change by helping to direct, align and inspire actions on the part of large numbers of people. Without an

appropriate vision a transformation effort can easily dissolve into a list of confusing, incompatible and time-consuming projects that go in the wrong direction or nowhere at all.

* **Under-communicating the vision:** Major change is usually impossible unless most employees are willing to help, often to the point of making short-term sacrifices. But people will not forego benefits, even if they are unhappy with present conditions, unless they think the potential benefits of change are attractive and unless they really believe that a transformation is possible. Without credible communication this cannot take place.

* **Permitting obstacles to block the new vision:** The implementation of any major change requires action from a large number of people. New initiatives often fail when employees, even though they embrace a new vision, feel disempowered by huge obstacles in their path. Occasionally the blockages are perceived rather than real and the challenge is then to convince employees that no external barriers exist. But in many cases the blockages are genuine and need particular attention.

* **Failing to create short-term wins:** Real transformation takes time. Complex efforts to change strategies or restructure businesses risk losing momentum if there are no short-term goals to meet and celebrate. Without short-term wins, many employees give up or actively join the resistance.

* **Declaring victory too soon:** While celebrating a win is acceptable, any suggestion that the job is virtually complete is a mistake. Until changes sink deeply into the culture, new approaches are fragile and subject to regression.

* **Neglecting to anchor changes firmly in the corporate culture:** In the final analysis change sticks only when it seeps into the very bloodstream of the work unit or corporate body and becomes "the way we do things around here". Two factors are particularly important in anchoring new approaches in an organisation's culture. These are:

  i) A conscious attempt to show people how specific behaviours and attitudes have helped to improve performance.

ii) Anchoring change also requires that sufficient time is taken to ensure that the next generation of management really does personify the new approach. This means reshaping promotion criteria if the transformation is to last.

Kotter (1996) also states that useful change tends to be associated with a multistep process which creates power and motivation sufficient to overwhelm all the sources of inertia, and that this process is never employed effectively unless it is driven by high quality leadership. He distinguishes leadership from excellent management.

## 2. ACTION RESEARCH

Action research is research conducted on action with the objective of making that action more effective while building a body of scientific knowledge at the same time (French & Bell, 1995). French & Bell (1995, p. 151) also note that

> The natures of organisation development and action research are very similar. They are both variants of applied behavioural science; they are both action oriented; they are both data based; they both call for close collaboration between insider and outsider; and they are both problem-solving social interventions. This is why we believe a sound organisation development program rests on an action research model.

Rothwell, Sullivan & McLean (1995) also regard action research as the foundation for most OD interventions. It is both a model and a process. As a model, action research can be seen as a simplified representation of the complex activities that occur in a change effort; the model serves as a road map to consultants facilitating change.

(See following diagram)

Entry

Start-up

Adoption

Assessment and Feedback

Separation

Evaluation

Action Planning

Intervention
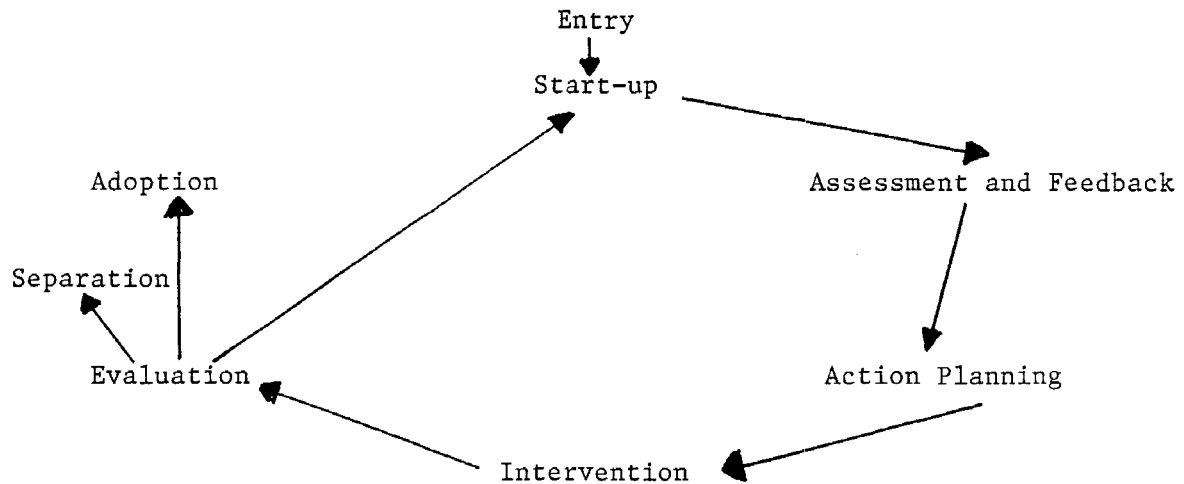
From McLean & Sullivan (1989)

Action research may also be understood as a process, a continuing series of events and actions. French & Bell (1990, p. 99) define this aspect of action research as

> the process of systematically collecting research data about an ongoing system relative to some objective, goal or need of that system; feeding these data back into the system; taking actions by altering selected variables within the system based both on the data and on hypothesis; and evaluating the results of actions by collecting more data.

As a process action research is thus a cycle in which research is followed by change activities, the results of which are fed into further research.

**Steps in OD Interventions**

The eight steps in any OD intervention are based on those in action research. Burke (1982) lists the steps as follows:

Step 1       The need for change in an organisation becomes apparent.
Entry        A problem is discovered. Someone, or a group of people
             in the organisation, look(s) for a person who is capable
             of examining the problem or facilitating change.

Step 2       The change agent enters the picture, working to clarify
Start-up     issues surrounding the problem and to gain commitment to
             a change effort.

| | |
|---|---|
| Step 3<br>Assessment and<br>Feedback | The change agent gathers information about the problem and gives decision makers and those with a stake in the change process feedback about the information. |
| Step 4<br>Action Planning | The change agent works with decision makers and stake-holders to develop a corrective-action plan. |
| Step 5<br>Intervention | The action plan is implemented. The change process is carried out. |
| Step 6<br>Evaluation | The change agent helps decision makers and stakeholders to assess the change effort's progress. |
| Step 7<br>Adoption | Members of the organisation accept ownership of the change, and the change is implemented throughout the organisation. |
| Step 8<br>Separation | The change agent prepares to leave the change effort. As part of the process, the change agent works to disengage while ensuring that improvement will continue after his or her departure. The step is possible because the knowledge and skills of the change agent have been transferred to the organisation. |

Although the length and depth of each step may vary across interventions, the steps are usually present in one form or another.

Bunning (1997) distinguishes between action learning and action research. In his opinion action learning is a matter of private learning while action research involves public learning.

According to Bunning (1997) **action learning** addresses two problems which are manifest in traditional educational and staff development approaches:

* The conventional expert-driven, didactic approach of lectures and the general view of knowledge as a valuable, pre-produced, easily transferable product is not very effective in terms of learning, especially with adults with experience in the topic area - much is taught but less is learned.

* To the extent to which learning does occur a problem arises in achieving the transfer of learning and skills from the place of learning to the workplace.

Action learning, says Bunning (1997), avoids these difficulties by insisting that action be taken in the real world and that learning be achieved primarily by reflection upon action and by interaction with colleagues. There is a place for programmed knowledge but it is accessed at the discretion of the learners, when the need exists, rather than at the discretion of the expert, often before a need is experienced by the learner.

Bunning (1997) also identifies the three central tenets of **action research** as follows:

* The natural functioning of systems is more clearly evident under conditions of intentional change than when the system is at rest or functioning normally.

* The "contamination" of the situation by the researcher is inevitable and so involvement of the researcher as an active facilitator of change is not only permissible but advantageous from the point of view of both action and learning.

* It is important that social systems are not exploited in the research process and it is preferable that they are empowered (i.e. have more control over their future than existed prior to the research contact).

In OD, Bunning's (1997) final point is overcome to a large extent because one goal of OD is that people in the system should develop greater awareness, information, skills and control over their future than they had before the intervention. To this end the researcher acts as a facilitator and aims to ensure that participants set the agendas, carry out the analysis and draw the conclusions, plan and implement improvements to their situation, evaluate progress and respond to the results of such evaluations (Bunning, 1997).

3. **EVALUATION**

Beckhard & Harris (1977) have defined evaluation as

a set of planned, information gathering and analytical activities undertaken to provide those responsible for the management of change with a satisfactory assessment of the effect and/or progress of the change effort (Beckhard & Harris, 1977, p. 86).

A commitment to planned evaluation should be made early in the OD process by all the parties involved in the OD intervention. Planned evaluation allows a consultant to gather and examine data and to judge the value of the OD intervention, usually with the purpose of improving the intervention or deciding whether to continue with it.

But workplace realities rarely facilitate the application of "pure research" methods, so OD evaluation

> is likely to be more action centred, value based, collaboratively contexted, experientially rooted, situationally responsive, praxis oriented and self-reflective than the current image (of research) (Evered, 1985, p. 439).

Nevertheless, carefully planned evaluation pays attention to both "soft" (attitudinal) data such as job satisfaction and "hard" (quantitative) data such as employee turnover rates.

Evaluation can occur during an intervention (formative), at the conclusion of an intervention (summative), or some time after an intervention (longitudinal), and evaluation may target either the **processes** in use during the change effort or the **outcomes** of the change effort (Schmuck & Miles, 1976).

## 3.1. Advantages of Evaluation

Some of the more important advantages of evaluation in an OD intervention, according to Rothwell, Sullivan & McLean (1995) are seen when top management has confidence that an OD intervention is cost effective and adds value to the basic effectiveness of the organisation. Management is therefore more likely to allocate corporate resources for continuing or future OD efforts and evaluation provides the means by which present and future management support is built up.

Evaluation can also provide a check on the effectiveness of the planning and implementation stages of the OD intervention in all their details. In addition, evaluation can identify how the intervention is affecting participants and how the intervention might influence participants more positively.

According to Lippitt, Watson & Westly (1958), the success of any change effort rests heavily on the quality of the relationship between the con-

sultant and the client. Evaluation can strengthen this relationship by providing feedback about the effectiveness of the relationship.

Evaluation can reveal problems related to the consultant's facilitation and group-process skills, communication of content knowledge, effectiveness of presentation, or the use of OD processes. The specialist can then focus on improving the skills targeted by the evaluation.

A consultant who acts in a professional manner plans for the evaluation of his/her work in order that he/she may improve. Consultants who are committed to maintaining their personal integrity welcome feedback on their effectiveness.

Planning for evaluation increases a consultant's ability to adjust or end an intervention if he/she discovers that it is based on incomplete information (Huse, 1980). As Porras (1984, p. 4) observes, "Longer term trends may go unnoticed and therefore not consciously be influenced by the consultant and key person."

Evaluation increases flexibility during interventions by providing a continuing source of feedback.

## 3.2. Factors that discourage Evaluation

It is difficult for any specialist to seek critical input on the quality of his/her product or service and the level of his/her expertise. Barriers, real or imagined, are then created to planned evaluation. Rothwell, Sullivan & McLean (1995) propose several factors which discourage evaluation. For example, the decision makers of a client organisation may believe that funds would be better spent on additional interventions and this is seen as a major barrier to OD evaluation. In addition, both client and consultant may be impatient to move on with an intervention and be reluctant to take the time to conduct an effective evaluation.

A client organisation's top manager may have taken a significant risk in persuading his colleagues to accept and encourage an OD intervention. An evaluation may lead to the conclusion that the intervention was not successful and may seriously affect the position or even the tenure of the manager who championed it.

An OD consultant may be reluctant to conduct an evaluation. It may be

thought that the consultant influenced the assessment of his/her own work if the evaluation is positive. If the assessment is negative, the client organisation may feel that a lack of expertise is indicated. This could jeopardise the consultant's role within the contract and with the client organisation and could then affect his/her reputation in the OD field.

Some interventions produce outcomes that are not easily measured, and the difficulty of the evaluation task may lead the client and the consultant to avoid it. In addition many OD consultants have more training and experience in conducting interventions than they do in conducting evaluations. This then leads them to emphasise the former and avoid the latter.

If fear exists within the organisation, lack of co-operation may stem from fear of being blamed. This is the negative aspect of an evaluation and is itself an indication that different or more interventions are necessary. And finally, previous experience or lack of understanding of the value of evaluation may create a perception that evaluation is not necessary and that it does not add value to the intervention.

## 3.3. The Importance of an Effective Evaluation System

Although the barriers to evaluation can be daunting, it is important that they be overcome because the advantages of planned evaluation make it worthwhile. When a continuing evaluation effort is made, Smither, Houston & McIntire (1996) feel that several outcomes are likely. For example, participants are more likely to have a positive attitude about OD and about the organisation; the OD intervention will be more efficient and effective; there will be increased quality and productivity in accomplishing organisation objectives; additional OD needs arising from a lack of organisation support for the change created by the intervention will be identified and may be addressed; and when management requests information to "prove" the value of expenditure for OD, data are available or are in the process of being collected.

## 3.4. Transfer of Skills to the Organisation

A major goal of an OD effort is to transfer OD skills to the client organisation so that it can use them in the future. Golembiewski (1972) says that in teaching skills the consultant should place emphasis on

factors such as feelings, system culture, organisational processes and learner control, and secondly on the experience of the learners and the organisations within social contexts.

Evered (1985) suggests that the competence outlined by Golembiewski (1972) involves enhancing the ability of an organisation to be self-reflective. He describes the attributes of a self-reflective organisation as including the capacity to examine its own assumptions and to raise pertinent critical questions about its own functioning and reason for being; the willingness to continually ask how to know whether it is performing adequately; the ability to continually assess its own health, including its own criteria for health; the willingness to explore, to test by trying things out and to transform itself continually; the encouragement of both intra-organisational and boundary-spanning change; the tolerance of dissent, criticism and self-doubt; and the continual search for improved ways of understanding its own nature.

Once the data from an evaluation are presented, the consultant will need to work with the client and/or change team to apply the lessons from the evaluation in order to improve the OD effort and to facilitate the skills transfer.

Effective evaluation allows a consultant to study failures and learn from his/her mistakes. A consultant should also recognise progress and make sure that all those involved know what results have been achieved in order to motivate them to continue the change process.

## 3.5. The Formative Evaluation

A formative evaluation in OD is an evaluation undertaken during the course of an intervention. Its purpose is to search for problems and potential problems, identify areas that require improvement, describe and monitor programme activities, and test the progress in goal achievement and attitude change. The findings should then be fed back to the facilitator and others involved in the intervention (Schmuck & Miles, 1976).

Since OD interventions often contain a training component which introduces new ideas and behaviours, training evaluation models provide useful

insights into ways of assessing changes in attitudes and behaviours. One of the most influential evaluation models, despite the fact that it was drawn up some time ago, is that developed by Kirkpatrick (1959), which proposes that researchers consider the following four levels of outcomes:

* **Reaction.** This refers to the feelings and attitudes of participants towards the training intervention and is usually collected by means of a questionnaire or by interviews which assess participants' opinions on various aspects of the training intervention.

* **Learning.** The assessment of learning involves the determination of how much of the training material has been absorbed by participants. This includes the principles, theories, facts, techniques and attitudes which the training is designed to convey. Although favourable reactions may provide a positive atmosphere for learning, they do not always lead to learning. A variety of techniques, including peer evaluations, may be used to test learning.

* **Behaviour.** This level focuses on the use of learned material in the workplace. Since learning which has been demonstrated in a training environment may not be applied on the return of the participant to the workplace, performance following the training intervention indicates to what extent behaviour has actually changed. The evaluation of job performance should target aspects of the job related to the training objectives. Behaviour rating scales are frequently used in this type of evaluation.

* **Results.** This category deals with the relationship between the results of the training intervention and organisational goals. Results include outcome measures such as productivity, turnover, job satisfaction, accident rates, and grievances. The selection of result measures should be based on the intended outcome of the intervention.

Each of the four categories provides a different level of rigour when effects of an intervention are evaluated. By evaluating different levels of criteria, researchers can develop a more complete evaluation of an intervention (Smither, Houston & McIntire, 1996).

Campion & Campion (1987) used four different criteria levels in a field experiment designed to evaluate the effectiveness of an organisational

change effort in a large electronics company. In this case the use of reactions (Level 1) and learning (Level 2) to assess organisational change indicated that the intervention was a success. Results from behaviour and results measures did not confirm these findings. Based on behaviour and results measures the training intervention was ineffective. These findings emphasise the importance of examining different types of outcomes or levels of criteria when assessment of the effects of an OD intervention is carried out (Campion & Campion, 1987).

Hanson & Lubin (1995) point out that the very word "evaluation" may conjure up the feeling of threat or judgement. They suggest that a way around this problem is to allow an OD programme to run for a significant part of its course before an evaluation is commenced. If the intervention is effective, all those involved in the process will begin to experience a climate of openness and sharing, a revitalisation of people within the organisational community, greater job satisfaction and commitment to organisational goals, a greater sense of responsibility and ownership among employees. In this new climate the evaluation will be seen to be less threatening, and rather as a useful aid. In fact one goal of OD will be to develop adequate self-evaluation procedures within the organisation itself. The development of this organisational capacity is a reflective process aimed at achieving greater consciousness and awareness, and reflection is focused mainly on internal functioning (Hanson & Lubin, 1995).

Rossi & Freeman (1993) note that formative evaluations differ from summative evaluations (those carried out at the conclusion of interventions) in the questions they ask about a programme, but almost any evaluation of an intervention will contain at least some formative and some summative aspects.

# CHAPTER     2

## GOALS   OF   RESEARCH

The prime aim of this study is to evaluate the progress of an OD inter-
vention presently under way in an organisation in Zimbabwe.

The assessment is therefore a **formative evaluation,** which Rothwell,
Sullivan & McLean (1995, p. 313) describe as an "evaluation conducted
during the intervention", as compared with an evaluation conducted
immediately after the completion of the intervention, or one conducted
some time after the intervention has finally come to an end.

The intervention was undertaken because interpersonal, intergroup and
interdepartmental relationships within the organisation had deteriorated
to such an extent that top management believed the company's product
quality and service delivery to be under threat.  Inroads were also being
made into the company's market share.

An attitude survey was completed with the help of an outside OD
consultant and involved all levels and categories of employees in the
organisation.  This took place before the start of the main intervention
and highlighted twelve categories of problems, eight of which were seen
as issues which could reasonably form the target of an OD intervention.

This evaluation therefore attempted to assess perceived progress in over-
coming these specific issues.  It explored and examined the attitudes of
respondents to the OD intervention and the culture changes it had brought
about.  In addition, it endeavoured to assess whether the goals, values
and ideals of the OD intervention found expression in the  organisation's
Mission Statement and in the plans and practices governing the day to day
management of people.

The assessment was undertaken through interviews with the organisation's
top management and with representatives of the next level of management

who had been the main participants in the intervention at that stage of its implementation.

## METHODOLOGY

A formative evaluation is a critical step in the action research process related to an OD evaluation. It is designed to assess the change effort's progress in such a way that steps can subsequently be taken, based on the evaluation results, to correct, modify or enhance any aspects of the intervention that are determined by the assessment. The comparisons in the assessment are with the original objectives of the intervention. A measure of urgency therefore exists in determining the formative evaluation results, but at the same time the scientific imperatives of logic, rigour and objectivity should not be lost (Smither, Houston & McIntire, 1996).

Aguinas (1993) notes that researchers disagree about whether action research is compatible with the scientific method. Although some argue that action research and the scientific method are quite different and produce very distinct kinds of knowledge, others suggest that action research is an application of the scientific method that focuses on organisations and the organisational change process, a view taken in this study.

Although action research and the scientific method differ in their orientation, the use of action research to provide diagnostic information about the change process should not prevent the OD specialist from scientifically evaluating the impact of the intervention. In proposing the action research mode, Lewin, cited in Smither, Houston & McIntire (1996, p. 438), stressed that including an action component "... by no means implies that the research needed is in any respect less scientific or 'lower' than would be required for pure science".

Cohen & Mannion (1980) argue that while it is no less scientific and rigorous than applied research, action research interprets the scientific method more loosely while focusing on precise knowledge applied to a specific problem in a specific setting. Its unique strength is that it is self-evaluative and collaborative, with an ultimate objective being to

improve practice. This gives the researched the kind of knowledge they can apply to their own behaviour in the midst of ongoing events in such a way that it helps them to collaborate and enquire more effectively with others about their common purpose.

Stacey (1996) notes that action research must be research in which action and evaluation proceed separately but simultaneously. It involves research projects which attempt directly to change people's behaviour. Data are gathered in traditional ways, but aspects of the study, or even the study itself, can be altered when information from a series of feed-back loops indicates that such changes are necessary.

## 1. DATA COLLECTION TECHNIQUES

### 1.1. Company Records

The study began with a review of the company's revised and previous Mission Statements and Core Values documents (Appendices 2 and 3). These documents were analysed to determine the extent and thrust of any changes which were apparent when the original and revised documents were compared.

In addition the organisation's three year planning documents which covered the present and previous planning periods and which related to the company's human resource (Appendices 4, 5 and 6), were analysed.

The study and analysis of the corporate records laid the foundation for an interview guide (Appendix 1) to a series of individual in-depth inter-views where an attempt was made to discover whether, in the eyes of the respondents, the ideals and cultural changes promoted by the OD intervention had found expression in the plans, values, goals and routine procedures used in the everyday management of people and the organisation's human resource structure, systems and subsystems.

### 1.2. Individual Interviews

The individual interviews were used to clarify issues, queries and anomalies arising from the analysis of the organisation's human resource

plans and to obtain the interviewees' appreciation of the cultural and other changes promoted by the OD intervention. They provided an opportunity to amplify and elucidate the reasoning behind particular views and decisions.

In addition the interviews were used to obtain the thoughts, and an assessment of the expressed feelings and degree of commitment, of the respondents to the OD intervention and the organisational culture changes it has brought about.

Finally, the interviewees were asked whether the eight problem areas highlighted in the pre-intervention attitude survey of all employees were being addressed, and whether the intervention was effectively helping to overcome these problems.

In conducting the interviews the researcher took cognisance of Kaplan & Saccuzzo's (1982) views that although there are many types and purposes of interviews, some factors are common to all of them.

First, all interviews involve mutual or shared interaction. The participants are interdependent and influence each other. The transactional or reciprocal nature of the interview process is also reflected in the participants' moods. In addition to influencing each other's activity, the mood of one of the participants in an interview influences the mood of the other. Kaplan & Saccuzzo (1982) call this phenomenon **social facilitation**. It is one of the most important concepts underlying the interview process. If an interviewer is tense, anxious, defensive and aloof, the interviewee tends to respond in kind. But if the interviewer wishes to create conditions of openness, warmth, acceptance, comfort, calmness and support, he or she must exhibit these qualities. This the researcher attempted to do and succeeded to varying extents in all the interviews. Interview No. 9 was the most difficult, as the interviewee was initially very guarded and required a measure of careful reassurance before he relaxed and became more open in his responses.

Setting the tone in order to facilitate the appropriate attitudes in the person being interviewed is one factor in effective interviewing. There are other principles which also seem to be common to such interviewing.

Specific interview techniques and approaches vary depending on the type of interview and the goals of the interviewer. There are no hard and fast rules which apply to all interview situations but there are some principles which aid in the conduct of almost any interview. In Interview No. 8 the respondent wished to talk about organisational politics in general and made reference to many other organisations, mainly because he was writing a thesis about change in organisations. It was intially necessary for the researcher to listen to this fairly extensive monologue and show interest in it before steering the discussion back to the particular issues of the OD intervention in this organisation.

The "new paradigm" approach to interviewing noted by Burman (1994) was chosen for this particular set of interviews. While valuing what people say and while treating such statements as informative, this theoretical base views research as a collaborative enterprise. The enterprise involves the full participation of the interviewees and also incurs responsibility on the part of the researcher to be accountable to, and in some cases to conduct research according to, the demands of the participants.

This approach was used because its stress on collaboration accords with one of the main principles of OD. It also helped in arriving at an understanding of the respondents' real feelings and degree of commitment to the OD intervention, and the way in which the organisation was then being run. The researcher was able to establish good rapport in all the interviews fairly rapidly because of a previous knowledge of the organisation and an interest in the prevailing business environment. The interviewees both gave and asked for opinions and views, and the interviews resembled discussions more than interrogations.

As Seidman (1991) has noted, good interview behaviour is more a matter of attitude than of skill. Judgemental or evaluative statements are particularly likely to inhibit the interviewee. When an evaluative statement is made, the recipient feels that a judgement is being made so that he/she is placed on guard. By doing this the ease of the recipient is limited as is willingness to reveal important information. This action also raises important ethical and power questions about the right

of the interviewer to be judgemental. The researcher noted this caution when conducting the interviews and avoided judgements about the organisation and other respondents even when these were asked for.

Probing questions should also be used judiciously and for a clearly defined and specific purpose (Seidman, 1991). These questions demand more information than the interviewee has been willing to provide voluntarily, and often probing questions have an implicit judgemental quality. In this study the researcher did not encounter any overt hostility to probing questions, probably because of the positive rapport set up in all the interviews. There are also ways in which probing can take place without the interview appearing to be an interrogation which might then raise resistance. The researcher attempted to "probe" in this manner.

Apart from knowing what types of responses to avoid, there are general principles which enable an interviewer to keep the interaction flowing (Sundberg, 1977). The use, wherever possible, of open-ended questions is one such principle. Open-ended questions give the interviewee wide latitude in choosing the responses he or she feels to be important and frequently lead to spontaneous answers. This reaction did take place in most interviews where only limited prompting by the interviewer was necessary to keep the interaction alive, resulting in very full responses.

To make a response relevant to what has been communicated and to keep the interaction flowing, Sundberg (1977) suggests the use of any of the following types of statement: verbatim playback, paraphrasing, restatement, summarising, clarifying, and expressing understanding. He views these statements as being on a continuum ranging from a statement that is totally interchangeable with the interviewee's statement, to a response which adds to or goes beyond it. Each of the responses communicates or facilitates a degree of understanding.

Even more powerful is the empathy or understanding response which communicates that the interviewer understands how the interviewee must feel. In this particular set of interviews with its collaborative bias,

such an approach proved very helpful in eliciting spontaneous, unguarded and full responses. It proved advantageous that the interviewees were all both interested and personally involved in the OD intervention and were eager to talk to an outsider who had some previous knowledge of the organisation about the intervention and the changes they saw taking place in their working lives.

In certain interviewing situations researchers use an interview guide to ensure that key topics are explored with a number of respondents. This approach was used in this evaluation. Taylor & Bogden (1984) point out, however, that the interview guide is not a structured schedule or protocol but rather serves to list the general areas that need to be covered in the course of the interview. Appendix 1 offers an outline of the questions used in the interviews in this study. The guide was used chiefly as an aide-mémoire and to ensure that particular points were covered. This enabled the interviewees to relax and to react with spontaneous responses which would be more likely to reflect their true feelings.

It was stressed to all the potential interviewees that participation in the process was voluntary.

All the interviews were tape recorded with the consent of the interviewees. This was necessary as it allowed the researcher to focus on what the interviewee was saying. The interviews lasted from one hour to one and three-quarter hours, depending upon the time constraints placed on the interviewee and the desire of certain interviewees to discuss certain issues in some detail.

The tape recorded interviews were subsequently transcribed.

Interviews were conducted in the interviewee's private offices or in the board room when interviewees were based in different centres from Harare, where all the interviews were conducted.

All the senior managers in the organisation, including the chief executive, volunteered to participate in the process and were interviewed. Two managers at the next level in the hierarchy, chosen at

random, also agreed to be interviewed and the interviews took place. Discussions, which were not tape recorded, were held with the holding company's chief executive and with the external consultant conducting the OD intervention. Notes were taken of points made in these discussions.

In both discussions and formal interviews, anonymity and confidentiality were striven towards, although it was pointed out that strict anonymity would be difficult to achieve in a small cohesive sample group.

The same interviewer conducted all the interviews, which had the effect of controlling the **role-restricted response effect** noted by Dixon (1989). This solution overcame the effects which can be caused by different styles of interviewing, levels of competence and expectations of the interviewer by the interviewees.

## 1.3. Sample

At the time of the evaluation only the senior managers in the organisation had been extensively involved in the OD intervention.

It was therefore decided that an attempt would be made to interview all the senior managers in some depth. This amounted to seven interviews when the chief executive was included.

To obtain a broader perspective of the intervention it was also thought necessary to interview the chief executive of the holding company. Although this official was not directly involved in the intervention, he had an overview of the culture in the organisation and of its effect on performance outcomes and agreed to be interviewed.

The external consultant also agreed to be interviewed to obtain his perceptions of the organisation before the start of the intervention and of the nature and impact of any changes in behaviour and values (if these changes were apparent) on business outcomes.

The second level of management had received some exposure to the OD intervention at the time of the collection of data and it was decided to interview two representatives from this level. These were chosen at random, but in the event one of the representatives whose name was drawn

in the initial lottery (names were written on pieces of paper which were subsequently drawn from a receptacle) was on leave during the research period and a second lottery was held which excluded this individual. Two representatives were chosen in this second attempt and both agreed to participate in the interviews.

Only two interviews were arranged with the second level of management due to time constraints and to the difficulty of arranging to meet respondents who were stationed in centres other than Harare during their business visits to head office.

## 1.4. Researcher Effects

The researcher was chief executive of the organisation under review about twenty years ago and knew two of the respondents from that time. This did not have any noticeable effect on the interviews with these respondents. A knowledge of the organisation, although now very dated, helped in obtaining an appreciation of its problems and the likely obstacles which the OD intervention would have to overcome.

The researcher was able to establish a good rapport with all the respondents and there were no difficulties in obtaining full and frank views from all the interviewees.

It was also unlikely, given the confidence and level of self-assurance of all the respondents, that the researcher was given information which the respondents thought he would like to hear. In addition, the researcher's contacts with the organisation are now remote and of little influence in the present business.

## 2. DATA ANALYSIS

Data analysis is a matter of great importance in the planning of a research project and should therefore be anticipated in the early phases of the research. Smith (1975) suggests that a failure to anticipate data analysis early in the research plan may result in the researcher ending up with insufficient or inappropriate data.

In this study it was decided to use aspects of grounded theory in the data anlysis. The approach is useful in enabling a researcher to extract, index and analyse themes in a body of data and to make logical sense of these themes. Less valid, however, in these particular circumstances was the proposition of Glaser & Strauss (1967) that theoretical accounts of a problem domain should emerge from, and so be firmly grounded in, the available data. OD is based on a number of clearly articulated values which guide its implementation and its objectives. If these values are not present in a process, it is unlikely that the process will fit the criteria of what is generally understood to be OD.

Henwood & Pidgeon (1992) explain that in the early phases of grounded theory data analysis the researcher has maximum flexibility in generating new categories from the data. This is a creative process but the researcher is disciplined by the requirement that descriptions "fit" the data well. A number of routine operations then help the researcher to move towards an understanding and systematic integration of these initial categories into a coherent theoretical account. These operations include linking categories together; the theoretical saturation of categories until no new examples of variation are found; the creation of new overarching categories at higher levels of abstraction; and seeking data where this appears necessary to elucidate aspects of the theoretical account. A key orienting idea in the process is the method of constant comparative analysis where the researcher is urged to be constantly alert to the similarities and differences which exist between instances, cases and concepts. In practice the researcher at first perceives only un-structured chaos in the data, but as analysis proceeds and order is generated, the lenses become more sharply focused (Pidgeon, Turner & Blockley, 1989).

These aspects of the grounded theory appraoch to data analysis were seen as appropriate to this study and were therefore accepted and used.

## 2.1. The Approach Taken

In this study the researcher heeded Henwood & Pidgeon's (1992) advice that data analysis is an iterative process with the researcher needing to return to data sources to check aspects of emerging interpretations and

to gather new data if necessary.

The approach adopted involved the construction of an indexing system where themes and concepts were described.

The themes were derived from the respondents' description of the situation in the organisation before the intervention began and how this situation had changed as the intervention progressed. The themes were carried through to the day to day working policies and practices of the organisation. Examples of these included a lack of co-operation, which became interaction and co-operation over time; an absence of teamwork which became a more combined team effort in pursuit of common goals as the intervention progressed; and a lack of trust which diminished over time and resulted in more open and transparent behaviour.

The next operation involved ensuring that the descriptions "fitted" the data well, and then moving towards the integration of these categories into a coherent account.

The researcher in this study attempted to heed the advice of Henwood & Pidgeon (1992) that as the researcher and the research process are inter-dependent, the researcher's attitudes and values should be fully described and discussed with the participants.

The formative evaluation requires an analysis of the themes and an understanding of the changes that are taking place as the intervention progresses. This leads to the possibility of making suggestions about which aspects of the intervention are working well and which are not; what people's reactions and attitudes towards the programme are and how these might be changed if necessary. In general terms it suggests how the intervention can be improved.

## 3. VALIDITY

This issue is of critical importance for inquiry within any research. Reason & Rowan (1981) say that a first approach to validity relates to measurement, and a valid measure is "one which measures what it purports to measure" (Reason & Rowan, 1981, p. 238). Validity is always relative,

sufficient for some purpose because the notion of a "true measure", is in the end, unattainable (Reason & Rowan, 1981).

**Internal validity** relates to freedom from bias in forming conclusions about the data. Silverman (1993) identifies different types of internal validity which include **face validity,** where the data are examined to determine whether the appearance is right to the reasonably discriminating observer. Secondly, in **convergent validity** a number of measures purport to measure the same thing and are examined to determine whether they all point in the same direction. This measure contrasts with **discriminant validity** which relates to whether measures which are supposed to measure different things actually do expose a difference. **Construct validity** involves defining and measuring an unobservable abstract or theoretical notion through its associated variables, and whether these observables can be construed in terms of more than one construct. Finally, when moving away from more experimental studies to field studies, notions of **contextual validity** are developed. This describes the manner in which any particular piece of data fits in with the whole picture (Silverman, 1993).

However, Reason & Rowan (1981) have put forward the idea that validity must concern itself with the knower and with what is to be known; valid knowledge is a matter of **relationship.** This validity may sometimes be enhanced if we say <u>we</u> know, rather than simply <u>I</u> know: "we can move towards an intersubjectively valid knowledge which is beyond the limitations of one knower" (Reason & Rowan, 1981, p. 242).

But there seem to be massive threats to the validity of an approach which rests primarily on a collaborative encounter with experience. Validity in such research lies in the skills and sensitivities of the researcher, and is more personal and interpersonal than methodological. In fact, Reason & Rowan (1981) state:

> one cannot understand any psychological state without the capacity to experience it, nor any social situation unless one can get into the 'world-taken-for-granted' perspective of those involved; yet at the same time as 'getting into' the experience, the researcher needs to be able to maintain a perspective on it (Reason & Rowan, 1981, p. 245).

In this study the researcher attempted to empathise with both the interviewees and their situation, and the notions of convergent and contextual validation, where the value of evidence from different sources is compared and assessed, came into play. The researcher was also distanced from the situation through being an outsider with, therefore, an ability to "maintain the perspective" urged by Reason & Rowan (1981).

**External validity,** which asks whether the conclusion drawn from a sample or a situation can be generalised to wider events or populations (Silverman, 1993) is more problematic in this study. The study investigated the responses to a particular situation in a particular organisation, and the primary concern was with evaluating the intervention which was bringing about changes in the specific situation and organisation. One could make general assumptions about the applicability of certain processes and actions to wider situations, but these extrapolations would be more intuitive than factual.

## 4. RELIABILITY

Reliability in research refers to the accuracy of measurement across time, context, scorer or form of instrument (Reason & Rowan, 1981).

> (Reliability) refers to the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions (Silverman 1993, quoting Hammersby, p. 145).

Although some researchers have argued that reliability is not possible in a changing social world, Silverman (1993, quoting Kirk & Miller, p. 146) argues,

> Qualitative researchers can no longer afford to beg the issue of reliability. While the forte of field research will always lie in its capability to sort out the validity of propositions, its results will (reasonably) go ignored minus attention to reliability. For reliability to be calculated, it is incumbent on the scientific investigator to document his or her procedure.

In this study the researcher attempted to improve the reliability of the interviews through the use of an interview guide and the reliability of the transcripts by recording respondents' comments verbatim.

## 5. ETHICAL ISSUES

Kvale (1996) proposes a number of ethical issues at various stages of the research process. These include:

* **thematising**. The purpose of an interview study should, beyond the scientific value of the knowledge sought, also be considered with regard to improvement of the human situation investigated (Kvale, 1996, p. 130).

In the study under review this consideration was paramount, as the main purpose of the evaluation was to advance an OD intervention which was anticipated to be ultimately beneficial to all by each of the main players.

* **designing**. Ethical issues of design involve obtaining the subjects' informed consent to participate in the study, securing confidentiality, and considering the possible consequences of the study for the subjects (Kvale, 1996, p. 130).

In this study these steps were taken, and the respondents took part in full knowledge of the purpose of the interviews and any possible impact on them as individuals.

* **interview situation**. Here the confidentiality of the subjects' reports needs to be clarified and the consequences of the interview interaction for the subjects be considered, such as stress and changes of self image. Also the potential closeness of the research interview to the therapeutic interview should be considered (Kvale, 1996, p. 130).

Neither overt stress nor hidden consequences for the participants seemed to occur in this study.

In general terms confidentiality was observed throughout the process of data collection, and the report made to all the participants and to the external consultant dealt with the information emerging from the participants themselves.

## 6. FEEDBACK

Once the evaluation was completed it was necessary to provide feedback to the respondents and to the external consultant in line with the action research model.

The feedback was undertaken in the form of a written report, supplemented by face to face contacts with a group of all the respondents, and, separately, with individuals. A separate meeting with the external consultant was also held.

CHAPTER     3

RESULTS     OF     THE     RESEARCH

The aim of this chapter is to provide a systematic account of the results in the collected data. The results are based on top management's experiences and understanding of the OD intervention process and therefore express their perceptions of and reactions to the intervention.

# 1. THE INTERVENTION PROCESS

## 1.1. Reasons for the Intervention

The respondents agreed unanimously that the climate in the organisation before the introduction of the intervention had been extremely unfavourable. Comments describing this situation included "it was a climate of fear", "backbiting", "suspicion", "little co-operation", "a lack of interest and teamwork", "frustration", "a lack of pride and commitment", "secretive", "don't stick your neck out", "watch your back", "keep information to yourself", "in-fighting" and "dissension".

This general unhappiness, according to three respondents, led to problems of product quality and, following price decontrol and the opening up of the market to imports, inroads were made in the company's market share.

A change in the organisation structure in the early 1990s which removed the posts of regional general managers and resulted in all their functions being run direct from head office, was mentioned by two respondents. It was felt that this exacerbated the communication problems, made for even less co-operation, and led to an increase in mutual recriminations between departments.

## 1.2. How the Intervention was Initiated

Seven respondents felt that the holding company had used its influence to encourage the setting up of the intervention because the holding company felt that the organisation was not fulfilling its potential.

Two respondents felt that a change of incumbent in the position of Human Resource Director had acted as the trigger which enabled the intervention to proceed.

## 1.3. Reasons for using an External Consultant

Eight respondents felt that it was important to have an outside view, from someone not directly involved with the company, as a catalyst and to help initiate the change processes in the company. Three respondents felt that the particular external consultant had been chosen because of his positive track record in work done in other group companies.

## 1.4. How the Intervention began

All the respondents knew that the intervention began with a survey questionnaire which was translated into local languages and presented to all levels and categories of employees. The questionnaire asked for views about the company, management, other departments and employees, roles, conditions of service and pay.

The questionnaire responses, which amounted to almost all the questionnaires issued, were analysed by the consultant together with a task force made up of managers from various departments and regions within the organisation.

The team's analysis was submitted to members of the organisation's top management committee who considered the report and produced a blueprint in response to the issues raised in the analysis. This top management reaction together with the analysis of the questionnaire responses were then fed back to all employees.

## 1.5. How the Intervention proceeded

While the analysis of the survey responses was taking place, top management as a team were involved in an Effective Group Leadership programme which concentrated on team building and role clarification issues. Participation in these exercises was later extended to the next level of management.

"Team excellence champions" were elected in each of the organisation's four operating regions and committees of six people chaired by these "champions" were appointed to help promote the values and aims of the intervention.

Part of the team building exercises involved an examination of the organisation's Mission Statement and Core Values document, initially by

the top management team. This exercise resulted in the drafting of an interim document which was passed on for further discussion and revision to all the regions, departments and sub-units. The goal of this exercise was to agree a set of values and guidelines which it was hoped would be espoused by all employees. This was seen as more than "a document put up in reception areas", but rather as a lived set of ideals which could govern behaviour and reflect a "new corporate culture".

## 2. THEMES IN THE DATA COLLECTED

Apart from obtaining respondents's views of the situation in the organisation before the OD intervention began and of the changes that took place as the intervention progressed, an attempt was made to discover whether, in the eyes of the respondents, the ideals and culture changes promoted by the intervention were applied in the plans and routine procedures used in the everyday management of people, and in the ideals and values espoused in the latest revision of the Mission Statement.

A number of themes were identified in the data and in this section these themes are critically analysed both in terms of the formative evaluation and the situation outlined above. The themes are interlinked and come together to create a view of the changing overall corporate culture. (See following diagram.)

Themes in the data tend to cluster around three main sets of issues. The first set of issues covers the changes brought about through the OD intervention's early exercises such as team building, role clarification, and including all levels of staff in the development of a new Mission Statement. The emphasis here is on the previous organisational climate and the changes seen to be taking place.

The central theme is identified as empowerment. In this sense "empowerment" is used to describe the feeling that jobs or roles are meaningful and play an important part in the greater whole and in the progress of the company.

Finally, the outcomes are seen as the results of the intervention and the effects which the intervention had on both individual attitudes and behaviour and on business outcomes.

SCHEME   OF   DATA   ANALYSIS

**ELEMENTS OF CHANGE**
(Brought about through the OD intervention's
process, such as role clarification, team
building, inclusiveness in setting goals and
the organisation's mission)

**OUTCOMES**
(The perceived results
of the OD intervention)

**BETTER UNDERSTANDING OF PROCESS**
(Manifested as a commitment to the "trickle
down" of OD concepts through the organisation
and applying its values in routine activities)

**EMPOWERMENT**
(The **central** theme in the
sense of a feeling that
job is meaningful, worthwhile,
important and part of a
greater whole)

**MORE HAPPINESS AND CONTENTMENT**
Greater acceptance of both the
content and context of roles
in the business

**MORE TEAMWORK AND CO-OPERATION**
(In place of former individualism, in-fighting
backbiting, "politicking")

**MORE COMMITMENT TO AND
IDENTIFICATION WITH THE
ORGANISATION**

**Reinforcing spiral of change**
(Better outcomes means more
commitment to change and more
opportunistic grasping of
opportunities)

**OPENNESS AND TRANSPARENCY**
(In place of previous defensiveness,
secrecy, scoring points)

**MORE PRODUCTIVE AND INNOVATIVE WORK**
(Better IR, fairer pay and reward
systems, better performance
appraisals, more empowerment
of subordinates, better teamwork)

**SHARED VISION**
(In place of
previous pulling
apart and pursuing
own agendas)

**CONTEXTUAL ISSUES**
(Partly the result of outcomes
and elements of change and outside
environment.  Good fortune
enhanced by being able to grasp
and extend opportunities)

More efficient and productive
organisation as a whole

**COMMUNICATIONS**
(Communications are improving
mainly as a result of increased
awareness and reduced secrecy
and individualism)

**EXTERNAL ENVIRONMENT**

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## 2.1. Elements of Change

### 2.1.1. Openness and Transparency

The climate in the organisation prior to the intervention displayed a lack of transparency and openness. As Respondent No. 7 put it, "If you get information, you've got an advantage over the next guy, and use that information to outdo him - that sort of thing."

This led to an overt compliance with authority because, as Respondent No. 2 explained,

> ... nobody could come forward and say to the Managing Director (that) what he said was wrong, or that he had made a mistake, because he (the complainant) wouldn't have a job.

The defensiveness also made for reduced communications, as managers in different departments attempted to entrench their own positions and that of their departments in the organisation. This attitude led to increased bureaucratic inflexibility and impacted negatively on the organisation as a whole, according to Respondent No. 7. It also found expression in board meetings where individual board members attempted to promote themselves and their departments while denigrating others (Respondents 6 and 7).

After the intervention had been under way for some time, an increasing openness and reduction in secrecy became apparent. There was then less defensiveness, and fewer negative informal coalitions were formed between staff members (Respondents 8 and 9). A greater preparedness to admit mistakes was noticeable (Respondent No. 2). This resulted, at least at top management level, in better informal communication and a swifter response to customer complaints (Respondent No. 7).

The review of the corporate Mission Statement by top management and other management strata, at regional, departmental and sub-unit levels, did much to reduce the overall level of defensiveness, according to Respondents 2, 3 and 4. As Respondent No. 3 noted,

> We have tried to condense the views, the feelings and what it is that the organisation wants to do. I would say that it links in with the ongoing change effort and OD aspects that have taken place.

Respondent No. 4 confirmed these views,

> And so I don't think the organisation did work towards meeting those Mission Statement core values; where now I do believe that it's accept-

ed that it's very necessary to work towards those Mission Statement goals.

But Respondent No. 5 was more cautious:

> During our team building sessions, I think the Mission Statement was well discussed because the first Mission Statement came from the holding company. But we then built our own and now we want to involve everybody in refining that. Let's see how it works.

Respondent No. 7 outlined how different levels of staff became involved in the attempt to identify and document corporate values and ideals. This is an aspect of the intervention which was seen to be working because the new Mission Statement became more than "a document put in reception areas" and rather a set of ideals which governed behaviour and reflected the "new corporate culture" (Respondent No. 3). Respondent No. 7 said,

> I attended a Production conference recently where they were coming up with a Mission Statement and I think they are doing it because they now understand the (OD) process, because junior managers were also involved or participated in it, and they now feel, for lack of a better term, empowered to try to go and disseminate what the corporate Mission Statement means, .... I think that Mission Statements should not be cast in concrete. I think they should be flexible, they should change with time and as you involve most of the organisation. And I think that is exactly what is happening here.

Respondent No. 8 summed up when he said,

> OK, these (the values and ideals in the Mission Statement) are the guiding principles and these are going to be targets which should then be enshrined so that all of us can have a common vision.

The former defensiveness in attitudes and behaviour also seemed to be lessening in day to day business activities. Respondents 2 and 7 noted that for the first time in their experience top managers sat down together to review actual salaries and proposed salary increases. This exercise threw up a number of anomalies and inequities, which were also highlighted in the initial employee survey. The differences existed between individuals and between departments and were the result of the defensiveness in discussing, in management forums, how particular salary and wage levels were determined. Respondents 1, 4 and 7 felt that the

measure of openness and transparency they then experienced in the organisation had removed the most serious pay inequities and had led to an improved general understanding of each department's views and problems.

In terms of the entrenchment of these attitudes and behavioural changes in routine policies and procedures, improvements appear to have occurred in staff training and development as a result of the intervention, according to Respondents 5, 6 and 7. Their view was that a climate of mutual trust and respect is necessary for real development to take place. They felt that the OD intervention had gone a long way towards promoting such an environment, which then seemed to be slowly and increasingly taking root within the company. Respondent No. 7 linked staff development to empowerment and mentoring, where an individual was given room to progress through taking charge of a particular job and completing it within pre-agreed parameters. Ongoing counselling was seen as a necessary part of this process. Respondent No. 2 agreed with this view, but felt that development should be viewed "holistically" and should involve consideration of such issues as "ethics, morals and values".

Respondent No. 6 noted that short-term individual contributions to performance were enhanced if long-term development issues were "attended to and encouraged".

In general, all the respondents felt that matters of empowerment, training and development were linked and that the OD intervention encouraged and promoted a climate of openness which facilitated these processes.

Respondent No. 7 compared his previous work experiences with the situation after the intervention and felt that despite some lapses, "we have a culture of openness, a different culture".

Respondent No. 6 noted,

> ... there is a lot of excitement. I think that one hopes that as the top management committee, we keep on making sure the light is on and that it doesn't get switched off ... if we keep up the momentum, I think everybody will see.

Respondent No. 5 said,

> I think I see a positive move. We are meeting more often, we are becoming more of a real team with OD and can talk without fear. So

there is more openness now and I think the destructiveness is breaking down. I think it's not perfect, but I think it's coming back.

## 2.1.2. Communication

Five respondents commented specifically on the state of communications within the company. They considered that the state of communications had been poor, but that the situation was beginning to improve. Respondents 2 and 8 made the point that the previous organisation structure had exacerbated the problem because each department operated almost independently of other departments. This situation had led to inter-departmental rivalry and to limited co-operation. It had also encouraged secrecy and resulted in a great deal of energy being expended in attempts to avoid blame and to "cover one's tracks".

Four respondents noted that the organisation had previously been production-directed but that the liberalisation of the economy had forced the company to adopt a more market-led stance. This had given added urgency to the need for better inter-departmental communications.

Respondent No. 4 made the point that it was necessary for good communications to become a matter of habit, undertaken almost without conscious thought. This respondent felt that better communications were beginning to advance in the organisation, mainly as a result of improved inter-personal relationships. Respondent No. 7 added to this point when he commented that the new spirit of openness within the company made it possible for him to communicate directly, both formally and informally, with managers in other departments. The previous need to stick rigidly to long formal channels of communication seemed to be breaking down and this new informality made for greater efficiencies and led to fewer recriminations when dealing with customer queries or complaints.

The quest for better communications led to the organisation enumerating a number of issues which it felt were vital for the employees to understand. This view resulted in the production of a document which was made available to all employees through the works committees. The issues included:

* The right of all employees to have communicated to them what their job entails and what is expected of them.
* The ability for all employees to feel able to comment on how they think things should be organised and improved, especially with regard to matters affecting their jobs.

* The right for all employees to have a clear understanding of how they are doing and where there may be problems or things done well.

* The need for all employees to have an understanding of how the whole organisation is performing and why it is doing well or badly.

* Employees should also be clear about how their section or part of the company fits into the greater whole.

Respondent No. 6 noted that in one region of the company, senior regional managers made a point of "dropping in" to the canteen after work or during the lunch break to talk to the staff informally, and to discuss matters of macro-economic policy and how these matters might impact on the organisation. The respondent felt that the informal talks have done much to improve employees' understanding of the issues facing the organisation and the reasons for particular aspects of company policy.

In addition Respondent No. 2 made the point that company board meetings and senior management meetings are now held in Harare, Bulawayo and KweKwe in rotation, rather than in Harare alone (as was the case previously). This procedure enabled senior management to meet staff in all the operating regions informally and created opportunities for formal and informal communications on a variety of issues, both up and down the hierarchy.

Respondents 5 and 6 said that communications with the employees through works committees seemed to have improved to the extent that employees in one centre had rejected calls to join a trade union. The employees felt that they had adequate communication with management either directly or through works committees. In a different region works committees made constructive suggestions about production planning for peak sales periods, such as the Christmas and Easter holidays, rather than merely raising a list of complaints or demands, as was previously the case.

However, more attention still needed to be paid to improving communications. Respondent No. 8 mentioned to the researcher that he was concerned that a senior manager within the corporate head office had left the company on promotion to an associated company and had not been replaced. The chief executive had earlier told the researcher that it was one of the organisation's objectives to "reduce head office costs" and move some of the decision-making "closer to the coal face". If these views had been made clear to Respondent No. 8 they might have clarified the reasons for his concern and become a positive motivating factor.

Respondents 5 and 8 referred to problems which arose from the company changing its job evaluation system from the Castellion System to the Hay System. This change, which took place some years previously, had led to unfulfilled expectations on the part of the workforce and a measure of subsequent discontent. The respondents felt that these problems could have been avoided or reduced if the reasons for the change had been more carefully and thoughtfully communicated to the workforce in advance of the change taking place.

In terms of routine people management procedures, eight respondents, all those concerned with managing others directly, felt that the appraisal of performance within the organisation and the necessary feedback of the appraisals to those being appraised was handled better as a result of the raising and discussion of communications and other issues in meetings and training sessions associated with the OD intervention.

### 2.1.3. Teamwork and Co-operation

The circumstances in the organisation before the intervention promoted a state of individualism to the extent that an imbalance was created between this state and the organisation's need for team work and co-operation. The following comments illustrate this point:

Respondent No. 1: "... there was a lot of dissension and infighting, even at top management level."

Respondent No. 2: "... everyone spent most of their time covering themselves."

Respondent No. 5: "But in all one tended to find that the management were tending too much towards their own culture."

Respondent No. 6: "I thought there was a lot of suspicion, lack of trusting each other. People felt that if their boss, or subordinate or peer, were saying something, they were really out to get them."

Respondent No. 7: "The culture more of ... not the good word here ... but fear; not open ... you know, keep things to yourself. If you get information you've got an advantage over the next guy, and use that information to outdo him - that sort of thing."

It was also apparent from these comments that the climate in the organisation before the OD intervention fostered secrecy and hampered co-

ordination and co-operation. According to Respondents 8 and 9 this climate led to rumour mongering and the formation of informal coalitions amongst staff members. The situation resulted in poor management and supervision, and allowed the negatives of favouritism, tribalism, regionalism and racism to influence management decision making.

Respondents 2, 4, 5, 6 and 7 made the point that the management style and corporate culture in the organisation at that time exacerbated technical and operating problems and adversely affected product quality. It also influenced decreases in market share and undermined the organisation's competitive position.

These views were reinforced by both the holding company's chief executive and the external OD consultant who felt that the company as a whole had not performed anywhere close to its potential and this poor performance was largely the result of the adverse corporate culture obtaining at the time.

The initial OD intervention exercises were therefore designed to increase teamwork and co-operation, initially at top management level. The reasoning was, according to the OD consultant, to reduce the rampant individualism and to attempt to create "a powerful and influential coalition of top managers working together as a team and focused on a common vision for the organisation".

In this sense the leadership, team building and role clarification exercises appear to have had a positive effect. Seven respondents registered major changes in attitude in themselves and among their peers. They acknowledged that this attitude change had been difficult and patchy in terms of progression, but felt that it was becoming better established, at least at the top management committee level, and that teamwork and co-operation between departments, colleagues and individuals was improving.

## 2.1.4. Understanding the OD Process

Seven respondents made the point that OD is a long-term and continuous process and that for the changes to be effective there would need to be a "trickle down" of the influences of the intervention to all levels of staff. Respondent No. 2 summed up by saying

I see OD as the Number One (priority) at this stage. We need to get pride back into the people and then we'll get sales, product quality

and so on. We now need to grow our people because the investment we put into product quality and marketing is starting to pay off. There is a need to launch off from a new platform to the year 2000. We now have meetings at ManCom (the top management committee) just on OD - it is not tacked on to something else. It deserves its own session, if necessary a whole day. That's how important it has become. And the ManCom meetings are very open and deal with what we are doing, what we should do, and what we should not do. It's more than a plan, it's a philosophy, it drives everything else.

## 2.1.5. Contextual Issues

The prevailing business climate and other external environmental factors can in themselves either help or impede an OD intervention.

But an optimistic attitude flowing in part from a successful OD intervention can help to find windows of opportunity in most situations. In this particular circumstance good fortune appeared to be enhanced by the organisation's ability to grasp and extend business opportunities arising from developments in the market place.

Respondent No. 7 attributed the improved sales patterns to both market factors and the changed and more committed attitudes of the sales staff. Respondent No. 6 shared this view.

Seven respondents mentioned that the business upturn experienced earlier in the year had helped to create a favourable climate in which the OD intervention took place, but warned that work still had to be done on changes in attitude to ensure that the positive effects of the intervention persisted into the future.

Finally, Respondent No. 7 made reference to the fact that the start of the OD intervention more or less coincided with an "infusion of new people" (3 out of 7 top managers) into top management positions, and felt that this "new blood" probably helped in the attitude changes then becoming evident in the top management committee and arising, in part, from the OD intervention.

## 2.1.6. Shared Vision

All the respondents commented on an organisational climate of mistrust, suspicion and "politicking" which existed before the OD intervention.

Part of the cause of this climate was the lack of any clearly articulated vision about how the company was to be run.

Respondents 3 and 4 noted that the previous organisational climate encouraged an autocratic, non-transparent management style and the situation then deteriorated further in a "snowballing" manner because, with most senior managers following their own agendas and attempting to promote their individual positions in the organisation, there was a lack of any single clearly articulated vision or direction.

This lack of a communal vision seemed to be in part a cause of the individualism discussed earlier and in part a consequence of this situation - a type of reinforcing spiral. The outcome was serious enough to be noticed by staff at all levels and was one of the problem areas raised in the initial employee survey, where respondents complained about the lack of a clear direction for the organisation's development.

Perhaps the intervention's greatest success, at that stage, was the extent to which it had managed to bring the top management team together with a new **shared** vision of what the organisation stands for, its values and goals, and how it is to be run. The seven top management respondents all commented favourably on the changes in attitude and behaviour which they notice in themselves and their peers.

The challenge will occur in the extent to which this vision becomes shared by all staff at every level in the organisation. A start had been made in discussion around the new Mission Statement and, as Respondent No. 6 reported,

> I think various departments and sections are now coming up with their own Mission Statements, having looked at the corporate one ... they said, 'Right, this is the company's one, what is our own, as Production? as Engineering? as Marketing?' and then within Marketing, you have the guys in Masvingo saying, 'Let's come with our own because the environment is somehow different here', as long as it dovetails into the Mission Statement.

The aim of these discussions was to involve as many people as possible in the determination of a document which would enshrine **their** views of the organisation, its values and its goals.

## 2.2. Empowerment

"Empowerment" was identified as the central theme in the data derived from the interview responses. In this sense "empowerment" was seen as the degree of satisfaction respondents derived from their jobs and from working together as a team towards common goals.

All the respondents expressed satisfaction at the changes they saw taking place within the organisation. All the respondents were also of the opinion that these changes helped them to perform better in their different roles.

## 2.3. Outcomes

"Outcomes" in the data were seen as the respondents' perception of the results of the OD intervention.

### 2.3.1. More Happiness and Contentment

Respondent No. 6 appeared to sum up the views of his colleagues when he said,

> People ... are starting to feel very proud of X (the organisation) and it plays a big part ... you want to sit at home and say to the family, 'I did a good day's work, I'm happy.' And the wife will talk to somebody, the kids will talk to somebody, and the word spreads.

Respondents 4, 5, 7, 8 and 9 all commented on the improved attitudes and spirit of co-operation they experienced at work and felt that this new climate made for a more productive and happier work environment.

### 2.3.2. More Commitment to and Identification with the Organisation

All the respondents expressed some pride in being associated with the organisation and felt more committed to its goals, more able to identify with it both within and outside the business.

### 2.3.3. More Productive and Innovative Work

Respondents 2, 3, 5 and 6 commented on the improved industrial relations climate they perceived in the company and on the fact that there appeared to be a better and more cohesive work experience in general.

Respondents 3 and 7 remarked upon the benefits of empowerment they saw in their immediate subordinates, resulting in improved teamwork and productivity.

All the respondents noted that greater openness and transparency had led to fairer pay awards and had reduced many previous anomalies and inconsistencies.

CHAPTER     4

DISCUSSION

## 1.  INTRODUCTION

This chapter is concerned with a discussion around the points raised in the Literature Review and the data presented in the previous chapter.

The discussion begins by considering whether the goals of the research have been met.  The prime aim of this study is to evaluate the progress of the OD intervention described in the report.  In particular the goals of the evaluation are to assess perceived progress in overcoming the specific issues raised through the attitude survey completed before the start of the main intervention;  to explore the attitudes of respondents to the OD intervention and the culture changes it has brought about;  and to assess whether the goals, values and ideals of the OD intervention find expression in the organisation's Mission Statement and in the plans and practices governing the day to day management of people.

In general terms there had been significant changes in attitude, at least at top management level, brought about and promoted by the OD intervention and these changed attitudes were becoming rooted in behaviour and the way in which people were being managed.  There was also evidence to suggest that the attitudinal changes were beginning to inform the policies and plans set out in the corporate three year plans relating to the organisation's human resource.

The more detailed examination of the research goals starts with a consideration of why the intervention was undertaken and of its progress. This section explains respondents' perceptions of the climate in the organisation before the OD intervention and offers a view of why this situation was allowed to develop and to continue.  It also looks at the circumstances which overcame the initial inertia and made changes possible.

The discussion then moves to the themes extracted from the respondents' reports and determines how these issues formed a key to the changes which took place in the organisation.

Finally, this chapter examines the process whereby the values and ideals promoted by the OD intervention gradually became embedded in the procedures, policies and routines of people management in the organisation.

## 2. WHY THE INTERVENTION WAS IMPLEMENTED

All the respondents spoke of the climate in the organisation before the OD intervention with distaste, and one respondent made the point that it was a culture of fear where one had to be continually alert to both overt and devious attacks from one's colleagues. It must be asked why the top management team, who all found this culture extremely unpleasant and negative, allowed it to develop and to be maintained.

Senge (1990) provides a possible explanation when he remarks that the systems perspective tells us to look beyond personalities and events to underlying structures which shape individual actions and create the con-ditions where types of events become likely. Senge (1990), quoting Meadows, says, "A truly profound and different insight is the way you begin to see that the system causes its own behaviour" (Senge, 1990, p. 43).

More often than is realised systems "cause their own crises, not external forces or individual's mistakes". In human systems, structure includes how people make decisions - the operating policies whereby perceptions, goals, rules and norms are translated into actions (Senge, 1990).

Senge (1990) goes on to explain that although we are part of the structure in human systems and have the power to alter structures, we often do not see the structures at play and find ourselves feeling compelled to act in certain ways, creating a situation where people see themselves as helpless reactors. Respondent No. 8 seemed to give credence to this view when, in describing the situation in the company prior to the OD intervention, he said, "I thought there was a lot of

suspicion, lack of trusting each other. One just felt that if your boss, or your subordinate, or your peer was saying this he was really out to get you" and his reaction to this climate was "... well, I found him there. I just have to try and survive".

Given these circumstances and the inertia in the structure, it is interesting to ponder how the change process came to be implemented. Mirvis & Berg (1977) note six preconditions for an OD intervention to be successful, namely that at least one key decision maker in the organisation perceives a need for change and top managers do not actively oppose change; that the perceived need or problem is caused in whole or in part by conditions in the work environment such as relations between individuals or workgroups; that managers in the organisation are willing to commit to long-term improvement; that managers and employees are willing to listen with open minds to the key assumptions of OD as articulated by an external consultant; that some trust and co-operation exist in the organisation; and that top management is willing to provide the resources necessary to support an intervention.

These conditions were all present in the case under review, and in addition the holding company began to apply pressure for change because the internal dissensions were impacting negatively on the organisation's product quality and market share. The macro-economic environment within the country was also beginning to change as market-related policies were implemented and these factors had a profound effect on the operating circumstances of most businesses.

All these factors, acting together, provided the trigger for the beginning of the change process.

Kotter (1996) notes that success in organisational change reveals two important patterns. First, success tends to be associated with a multi-step process which creates power and motivation sufficient to overwhelm all the sources of inertia. Second, the process is not employed effectively unless it is driven by high-quality leadership.

The external consultant in this case became the catalyst for change by providing the early impetus which overcame the inertia in the system. He

succeeded because the top management group strongly identified with the company and were committed to its success. They had become convinced that major change from a distasteful climate was necessary to make the business successful. This insight led to the realisation that they really had no choice. They had to create trust and teamwork in order to survive in the increasingly competitive environment.

## 3. MAKING THE CHANGE HAPPEN

Kotter (1996) makes the point that a combination of trust and a common goal shared by people with the correct characteristics can create a powerful team and that the resulting coalition will have the capacity to make needed change occur despite all the forces of inertia.

This appears to have happened in the organisation. Once the need for change received the trigger of intensive holding company pressure and a sensitive and experienced consultant/facilitator (Smither, Houston & McIntire, 1996) to point the way with an initial vision and early team-building exercises, the reinforcing processes began (Stacey, 1996). Reinforcing processes are small changes which build on themselves so that more movement occurs and is amplified and the resulting snowball effect becomes bigger and bigger, "resembling compound interest" (Senge, 1990).

The intervention began with a survey questionnaire which was presented to all levels and categories of employees. The questionnaire asked for views about the company, management, relationships with other departments and individuals, pay, job roles and conditions of service. The completed questionnaires were then analysed by a task force made up of the consultant, management and employees from a variety of departments and regions.

As Burke (1987) notes, this in itself constituted an intervention because when an OD practitioner begins to ask questions about the organisation and its members, he or she is intervening. Respondent No. 8 said that implementing the survey called for "great courage" from the chief executive because to ask for such views would lead to "inevitable criticism". This could have been an early indication of the growing

confidence experienced by the top management as the change process got underway. Stacey (1996) points out that it is not sufficient to employ rational planning procedures alone in an OD intervention. The success of the intervention depends just as much on the behavioural factors - belief systems, social interactions, cultures, group behaviour and individual psychology. Action plans, Stacey (1996) believes, will not be implemented if they run counter to the belief system, or if they fail to motivate people.

In this case the pressures for change had become overwhelming and the climate in the organisation so unpleasant that although a leap of faith was necessary to initiate a process from which most top managers knew there could be no turning back, this as yet unknown quantity constituted a perceived preference to the status quo. This was sufficient to justify the risk (Kotter, 1996).

The task force's analysis of the questionnaires was presented to top management, who considered the report and produced a blueprint which responded to the eight issues highlighted in the analysis. It then became essential to feed back to all employees both the distilled highlights of the survey and the response of top management to these views. This was particularly important because a similar survey had been conducted some years previously and its results had never been communicated to the respondents and other employees. This had resulted in a degree of scepticism about the new survey.

As Likert (1961) warned, an approach where managers authorise a survey and fail to use the results often produces greater frustration among employees than would have occurred had their opinions not been asked for in the first place.

All the respondents commented favourably on the new unfolding organisational climate compared with the earlier atmosphere and displayed great support and commitment for the change process.

The respondents also supported the "trickle down" efforts in the intervention, which, they believed, would eventually emphasise greater

employee participation. Five respondents explained that one of the objectives of the intervention was to encourage employee participation in all aspects of the change process. This accords with the view of Smither, Houston & McIntire (1996) who state that in the practice of OD everyone in an organisation who is affected by change should have an opportunity to contribute to - and accept responsibility for - the continuous improvement process.

This process could then lead to a situation of "empowering employees" by giving them a say in decision making which might develop into a situation where open communication is created and a culture of collaboration is promoted which would lead to continuous enquiry and learning (Van Eynde, Church, Hurley & Burke, 1992).

Kotter (1996) notes that change only lasts when it becomes "the way we do things around here", when new behaviours are rooted in social norms and shared values. Respondent No. 4 made a similar point when he said that for communication to become effective, it must take place almost without conscious thought, as a matter of habit.

The holding company chief executive and three respondents explained that the initial impetus of the OD intervention had received a boost from market conditions which gave rise to a very significant increase in sales. The consequent enhanced financial performance of the organisation had, in their opinion, helped to improve morale and this in turn had helped to reinforce the culture changes proposed by the OD intervention.

The changed market conditions were seen to be fortuitous, and to some extent this is so, but in addition the reinforcing processes spoken about by Senge (1990) seem to have come into play. The improved climate of co-operation, openness and team effort promoted by the OD intervention worked on market opportunities so that sales growth was optimised and the change effort was enhanced in a mutually advantageous snowballing effect, a reinforcing spiral.

# 4. THEMES IN THE DATA — ELEMENTS OF CHANGE

## 4.1. Communications

One of the issues raised in the initial employee survey and by five respondents was the matter of poor communications throughout the organisation. The top management team had taken a positive step to alleviate this problem. Top management and board meetings were held in rotation at the company's three main district headquarters. This allowed senior managers and board members to meet staff in parts of the country other than Harare, where the company's headquarters was sited. According to the chief executive, a conscious effort was also made to discuss the organisation's plans and performance and to meet as many staff as possible on an informal basis on such occasions.

All the respondents were aware of the need to communicate more fully and to be more open and transparent in their communications and behaviour.

Kotter (1996) notes that when trust is present in an organisation, the body will be able to create teamwork; when trust is absent, it cannot. He goes on to say that people who have spent their careers in a single department or division are often taught loyalty to their immediate group and distrust the motives of others, even if they are in the same firm. Lack of communication then exacerbates misplaced loyalty.

These comments help to explain another problem highlighted in the employee survey — the lack of co-operation between departments which led to poor co-ordination of operations. Respondent No. 7 explained that they were being beaten by competition because of product quality. But it was "us" and "them", a battle between the Marketing and Production departments, rather than "Guys, what can we do together as a team to try and improve in those areas?"

He went on to say that with the coming of the OD intervention much had been done to bring all departments together as a team. Respondents 3, 5 and 6 endorsed this view when they too noted that the OD intervention had helped to bring individual departments together as a cohesive team to tackle overall business problems.

## 4.2. Trust and Co-operation

A further point raised in the initial employee survey was the lack of empowerment in day to day operations. Respondents 3, 6 and 7 explained their new attempts to empower subordinates by structuring work in such a way that goals and objectives were agreed at the beginning of a budget period and then reviewed at regular intervals. This procedure had replaced a situation where subordinates were closely managed in the details of their tasks on almost a daily basis. The new approach accorded with the views of Senge (1990), who notes that people learn most rapidly when they have a genuine sense of responsibility for their actions. This process means moving decisions down the organisational hierarchy and assigning tasks where, to the greatest degree possible, local decision makers "confront the full range of issues and dilemmas" intrinsic in growing and sustaining any business enterprise.

It would therefore appear that the values of openness and transparency promoted by the OD intervention have made an impact in this area. As Kotter (1996) points out, if change activities create the mutual understanding, respect and caring associated with trust, the OD intervention will progress. If they do not, the intervention will fail.

Respondents 2, 3, 4, 6 and 7 felt that performance was appraised in a manner which was fairer and more open as a result of the intervention. All the respondents noted that an appraisal was easier in the case of task oriented jobs, but that management roles, where innovation and creativity were important, posed problems for the appraisal process. A way around this problem might be to link appraisal to the empowerment process, as suggested by Respondent No. 7. He found that when responsibilities were discussed at the beginning of a financial year and agreement was reached on goals and objectives, the manager "becomes more of a facilitator than a judge". This overcame the problems of feedback of subjectively negative judgements during the year or at the year end. It was obvious to both supervisor and subordinate that targets had or had not been achieved and what remained was to discuss and learn from the issues behind both adequate performance or failure to perform. In this sense the appraisal process took on a developmental stance for both the subordinate and the supervisor.

## 4.3. A Shared Vision

All the respondents made the point that the lack of a shared vision was a characteristic of the organisation before the OD intervention. This issue was also raised in the initial employee survey and must, therefore, have been apparent to all levels of staff.

Smither, Houston & McIntire (1996) propose that the best way to ensure that all factors which make up the internal environment are co-ordinated is to establish a vision. The vision is the force which guides the organisation. It is based on the core beliefs and values of the organisation and is a long-term commitment of the organisation to its workers, shareholders and customers. Values that are meaningful and put into action make an impact (Smither, Houston & McIntire, 1996).

Senge (1990) points out that it is impossible to imagine the accomplishment of building great companies or successes in the absence of shared vision. Senge (1990) also notes that a vision should not be solely predicated on the defeat of an adversary because such a focus is transitory and can easily be transformed into a defensive posture of "protecting what we have" or of "not losing our number-one position".

In Senge's (1990) opinion a shared vision is one that uplifts people's aspirations, where work becomes part of pursuing a larger purpose which can be embodied in the style, climate and spirit of the organisation. This type of vision takes root as people in an organisation begin to learn how existing policies and actions create their current reality and a new, more fertile soil for vision develops. The comments of Respondent No. 6 accorded with this view when he said that people were starting to feel very proud of the organisation.

The external consultant made use of the organisation's original Mission Statement in team building exercises for the top management team early in the OD intervention. The original Mission Statement had been adapted from that of the holding company and was then thought to need extensive revision (Appendix 3).

The reasons for the use of the document for team building exercises were twofold. Firstly, it was used as a discussion document to draw people

together.  Secondly, it was hoped that the revision would result in a set of values and ideals which would reflect the new corporate culture, guide behaviour, and become a definitive statement of what the organisation stands for, "a lived set of ideals".

According to seven respondents these objectives were met.  The revised Mission Statement was submitted to all levels of employees for input and this resulted in a document which was in turn revised  (Appendix 2).  The new document was therefore the result of an expanded collaborative effort.  The process involved in reaching this stage accords with the views of Hanson & Lubin (1995) who explain that people will support what they help to create.  It also accords with the views of Rothwell, Sullivan & McLean (1995) who believe that organisation functioning is enhanced when people feel comfortable about expressing their opinions and their feelings.

Farnham (1993) developed the view that a useful way for organisations to conduct a self-examination of their goals and values is the collabora- tion of organisation members in the writing of a Mission Statement.  In addition, as one of Farnham's (1993) respondents argued, when people share the same values a built-in quality inspector comes into existence.

In Likert's (1961) technique of **inter-locking conferences** survey results are given to top managers during the first conference and then other conferences are held to inform the organisation's successively lower levels.  This top-down strategy of feedback and performance planning ensures that the action plan devised by each group is tied to those at higher levels.

A variation on this theme was used in developing the revised Mission Statement, both involving the maximum number of people in the process and linking the newly developed documents into a coherent whole.

This process accords with a number of the "rules for writing a Mission Statement" developed by Farnham (1993), which include involving everyone. Farnham (1993) notes that although discussion typically starts with top management, it should not end there.  If a consultant expects commitment from employees they need to have a say in developing the Mission

Statement and the organisation should arrange for all employees to attend group meetings in which each group develops a statement that describes their view of the organisation's mission.

In addition, since no two statements will be alike, they will need to be combined and integrated with top managers usually deciding on the final wording. Workgroups, however, can add their own customised Mission Statement and values as long as they do not conflict with those of the organisation.

Senge (1990) believes the core values are necessary to help people with day to day decision making because "purpose is abstract and vision is long term". He believes that people need "guiding stars" to navigate and make day to day decisions by. But core values are only helpful if they can be translated into concrete behaviour, such as a genuine attempt to change to a customer-driven company rather than a production-led organisation, which was one of the aims of the organisation being studied.

One of the core values of the organisation was that of "team effective-ness" where the aim was to be "a caring and supportive organisation treating each other with mutual respect, integrity, honesty and trust" (Appendix 2). These values accorded with those of the OD intervention and, at least at top management level, respondents reported a genuine and committed attempt to live up to these ideals both by themselves and their colleagues.

## 5. THE OD INTERVENTION AND DAY TO DAY PEOPLE MANAGEMENT

One of the goals of the formative evaluation is to assess the extent to which the new values and ideals promoted by the OD intervention are becoming embedded in the procedures, policies and routines of day to day people management in the organisation.

This is important because, as Senge (1990) has maintained, values and ideals are only helpful if they can be translated into concrete behaviour.

Kirkpatrick's (1959) model for evaluating training effectiveness considers four levels of outcomes - **reaction** (which refers to the feelings and attitudes of participants towards the intervention); **learning** (which involves the determination of how much of the training material has been absorbed by the participants); **behaviour** (which focuses on the use of learned material in the workplace); and **results** (which deals with the relationship between the results of the training intervention and organisational goals).

Each of the four categories provides a different level of rigour when effects of an intervention are evaluated and by evaluating different levels of criteria researchers can develop a more complete evaluation of an intervention (Smither, Houston & McIntire, 1996).

It is therefore important to examine how much of the OD intervention's values and goals influenced "behaviour" in the organisation and this is carried out in relation to important aspects of the organisation's human resource procedures, as follows:

## 5.1. Pay and Reward Systems

In the initial survey many employees complained about inequities in the salary and reward system which existed between departments, regions and individuals. This occurred partly because of an ineffective performance appraisal system and partly because of favouritism and "politicking". All the senior management respondents commented that a most favourable change had occurred at the last salary review procedure. All future salary proposals and existing salaries were laid on the table and senior executives were asked to justify their proposals in front of their colleagues. In this way a procedure was adopted to reduce or remove the inequities which had crept into the system and openness was assured because the whole top management team had access to the organisation's total salary picture. This procedure replaced one where the chief executive and each department head reviewed salaries in isolation, a process which allowed anomalies and inequities to creep into the system, particularly if previous chief executives were weak or easily manipulated.

## 5.2. Performance Appraisals

There was a general view amongst all the respondents that the manner in which performance was appraised had improved. This was attributed to sincere attempts to grapple with basic issues such as role clarification, key result areas, acceptance of both positive and negative feedback, and teamwork, as well as with the more difficult areas of innovation and creativity. The general view was that sincerity and openness in one's approach had led to improved trust.

Respondent No. 7 made the valid point that there were now attempts to link appraisals to development and empowerment issues rather than to salaries and rewards alone.

The company's ultimate goal was to achieve a 360° appraisal, where individuals were assessed by bosses, peers and subordinates and the process became much more interactive. Respondent No. 5 felt that this objective, though worthy, would take some time to achieve, but other respondents were working towards the goal by altering the way in which they structured their subordinates' work loads with greater negotiated initial agreement of targets and goals and with changes being discussed and agreed as circumstances changed during the year.

The important aspect of these endeavours from the point of view of the OD intervention was that they were more open and transparent and there seemed to be a genuine attempt to grapple with the subjective difficulties inherent in appraising another person's efforts.

## 5.3. Empowerment, Training and Development

All the respondents noted a need for greater **empowerment**. This was seen as a responsibility for helping subordinates to develop and optimise their potential. But Kotter (1996) believes that true empowerment involves more than the opportunity to acquire new skills. Very often systems are not aligned to the vision, and highly bureaucratic functions discourage leadership and inhibit change. Structures, too, can undermine vision if, for example, responsibility given to lower-level employees is

inhibited by layers of middle level managers who second-guess and criticise employees. A situation such as that envisaged by Kotter (1996) did exist before the introduction of the OD intervention, but changes made in organisation structures and attitudes seemed to allow increased feedback between all levels of staff.

Empowerment also means a style of management which allows subordinates to make genuine mistakes. This problem entails considered actions if gross mistakes are to be avoided, a situation pointed out by three respondents.

Bunning (1997) sees personal growth as a direction we travel more than as a destination we arrive at, and in this sense he feels it is enough that we are moving in the right direction. However, as Kotter (1996) has noted, short term successes are necessary to reinforce change behaviour. This allows beneficial effects to diffuse through all levels of one's behaviour, both personal and professional.

**Training** was seen by all respondents as an aspect of empowerment, but Respondent No. 7 criticised the training carried out within the group training facility as being too general and mechanistic. He felt that managers had a responsibility to conduct detailed training assessments and then to organise appropriate training rather then sending subordinates on general "catch-all" courses at the in-group facility.

**Development** was distinguished from training in that it was perceived as a much less immediate role specific process. Most respondents saw development as being linked to empowerment and long term career planning. Development was felt to involve giving individuals room to progress in particular jobs, structured to allow maximum independence within pre-agreed parameters. Counselling and mentoring were seen as integral aspects of this process where trust arising from openness was again essential. One respondent made the important point that short term individual contributions to performance were "attended to and encouraged".

All respondents felt that a corporate climate of openness and transparency had facilitated empowerment, training and development.

These views coincide with those of Kotter (1996), who makes the point that major internal transformation rarely happens unless many people assist in the process. And employees either cannot or will not help if they feel relatively powerless.

The growing climate of mutual trust and respect ushered in by the OD intervention was seen to create a positive effect on abilities and the confidence to question decisions and offer alternatives. This in turn was seen as part of the broader development and empowerment process.

Bunning (1997) says that it is via the reflection and generalisation process that insight and internalisation take place. In this sense it is true that one can learn little from others in life; one must learn for oneself.

Although learning is fundamentally a personal and inner process, it can be helped greatly if colleagues and the norms of an organisational culture are supportive of openness, self-criticism, reflection and experimentation. What is most desirable is that not only the individual, but the colleagues around that individual and the organisation in which the individual operates, are committed to learning. This helps to create a learning organisation (Senge, 1990). Respondents 4 and 8 made a telling point when they noted that the "tools" for managing people such as salary systems, job evaluation and performance appraisals were always present, but were not used correctly. Effective use of these "tools" depends upon attitudes and "understanding the OD process".

## 5.4. Industrial Relations

An improvement in Industrial Relations appeared to be taking place, mainly because the new openness had led to greater trust and feelings of belonging to and pride in the company. This could tap an enormous source of power if the improvement could be sustained and grown. With improved systems, structures and supervision, petty differences were being dealt with and improved efficiencies were becoming evident. This progress could well constitute one of the "short-term wins" proposed by Kotter (1996). Real transformation takes time, and complex efforts to change

strategies or to restructure businesses risk losing momentum if there are "no short-term goals to meet and celebrate".

In light of Kotter's (1996) views it might be worth making more of the organisation's Industrial Relations successes in the form of publicity in in-house publications or at local functions attended by the chief executive.

## 5.5. Productivity

There was some evidence that the OD intervention was beginning to have a positive effect on worker motivation and that this circumstance was helping to improve productivity through improved efficiencies. The benefit of increased sales was also filtering through the system and was helping to boost morale and enthusiasm in the "snowballing effect" explained by Stacey (1996) and Senge (1990).

## 5.6. The OD Intervention's Progression?

At a relatively early stage the OD intervention was seen to be pro-gressing well. But as Kotter (1996) points out, change only sticks when new behaviours are rooted in social norms and shared values. Until then changes are always subject to degradation as soon as the pressures associated with a change effort are removed.

One way of overcoming this problem is to show people how specific behaviours and attitudes have helped to improve performance. This could well be done by pointing out the improved Industrial Relations climate, fairer pay and rewards, better productivity, and greater empowerment seen in the company by most respondents. Care should also be taken to point out deviations from the unfolding new "ways of doing things".

But all the responses would seem to indicate that the culture in the organisation had begun to change and had reached a level where some day to day behaviour in the workplace had started to reflect the changed attitudes promoted by the OD intervention.

CHAPTER     5

CONCLUSION

## SUMMARY  OF  THE  THESIS

The study began with a brief **review of the literature** relating to OD and focused on how OD is defined and on some of the characteristics emerging from the definitions.  It went on to examine OD's history and its values and looked briefly at factors essential for success in OD.  The increasing need for OD interventions was examined and the role of the facilitator/consultant and the consultant/client relationship were discussed.  The section ended with an exploration of the management of OD and culture change.

The **action research** process was investigated next and the linkages between the steps followed in action research and in an OD intervention were examined.

The steps followed in an OD intervention emphasised the importance of evaluations in the OD process and provided the framework for a discussion about **formative evaluations,** the central issue in this work.

Chapter 2 focused on the **goals of the research** and the **methodology** used in the investigation.  The core goal of the evaluation was to assess perceived progress in the OD intervention directed towards overcoming specific problems which had been identified by an attitude survey involving all levels and categories of employees.  The evaluation also attempted to assess whether the goals, values and ideals of the OD intervention found expression in the organisation's Mission Statement and in the plans and practices governing day to day people management.

The research methodology involved an initial review of the company's plans and procedures covering a three year period and an analysis of the corporate Mission Statement and Core Values documents.

This review provided the foundation for an interview guide to a series of individual **interviews** with the top management. It also included representatives chosen at random from the next level of management who had had most exposure to the OD intervention at the time the data were collected.

Issues involving the interview process were discussed and the question of sampling and possible researcher effects were examined. In terms of the analysis of the data collected, issues of validity, reliability and ethics were debated, and the feedback of the data to the relevant parties was touched on.

Chapter 3 provided a systematic account of the **results** in the collected data, which were based on top management's experiences and understanding of the OD intervention process and therefore expressed their perceptions of and reaction to the intervention.

In this section sequences in the intervention process were explained and themes in the collected data were derived from an analysis and then set out and explained.

These points were discussed in Chapter 4 and linked with matters raised in the Literature Review. In general terms it was determined that significant changes in attitudes at top management level had been brought about and promoted by the OD intervention and that these changed attitudes were becoming rooted in behaviour and the way in which people were managed. The intervention was seen to be unusual in that it appeared to succeed beyond initial expectations in many areas.

## CONCLUDING POINTS

It is impossible to determine with absolute objectivity whether the OD intervention is having a direct positive impact on the organisation's business outcomes.

All the respondents felt that the present climate of openness, trust and co-operation at the top level of the business was better than the climate of suspicion, secrecy and backbiting which obtained before the intervention began.

The chief executive of the holding company was of the view that the greatly improved financial performance of the organisation occurred largely as a result of a "windfall", macro-economic circumstances beyond the control of the company, which led to a huge increase in consumer spending and resulted in massive sales increases.

The reality is probably closer to the snowballing effect outlined by Senge (1990), where the opportunity for increased sales reinforces the gain being made in changing the corporate culture and a cycle of gains in both areas results in benefits to both in a "reinforcing spiral".

The important issue is to ensure that the gains made in changing the corporate culture become rooted in the behaviour of the top management group, part of the new "way things are done around here" (Kotter, 1996) and so to ensure that the organisation is best prepared for any further changes in the macro-economic environment of the future.

The improved industrial relations climate was a more tangible benefit in at least two major parts of the company. The respondents responsible for these divisions attributed the better relations with the workforce to the pervasive culture of openness and trust which they saw "trickling down" through the company. They also saw greater productivity flowing from the improved industrial relations climate, with certain workgroups showing concern about planning for anticipated sales peaks and others making suggestions for adjustment to packaging materials so that efficiencies were improved.

All the respondents were happier with the climate of improved trust and co-operation which they experienced in the workplace. The change from the culture which existed previously is a chilling reminder of the power of systems which control inter-relationships and behaviour so that individuals not only comply with a system which they profess to dislike, but actively work to further its aims.

Fortunately, if the new behaviour becomes rooted in the organisation's norms, the same power can be used to maintain the values of trust and co-operation which the respondents said they came to espouse.

The importance of leadership in promoting and maintaining a change process should not be underestimated. The external consultant attributed the OD intervention's success to the time of the evaluation to the enthusiasm and commitment of the top management team which he felt was proving to be exceptional. In the view of Kotter (1996) a powerful coalition of top managers with credibility, expertise and leadership qualities, can often guide more long-lasting change than a single highly visible and charismatic leader. Such individuals often display egos which leave no space for anybody else, and when they leave the scene for any reason, the change effort quickly comes to an end. In this organisation, although the chief executive was respected, he was much more the leader of a team than an outstanding leader in his own right. The team was also a strong and able unit, composed of a number of high performing, well-educated individuals. They all showed real commitment to the change process, and if the commitment persists, the intervention and the company will benefit greatly.

A further important aspect of the OD intervention to date is that the top management team realised that much work still had to be done to reinforce the changes which were taking place in the attitudes and behaviour, the "culture", of these top managers. They also felt a sense of obligation in ensuring that the benefits of change should trickle down through the organisation and eventually become rooted in the values, attitudes and behaviour of all staff at every level in the organisation.

Major changes were taking place in the business environment within which the organisation operated and the organisation would have to develop the flexibility to make continuous further changes in its structures and operating procedures if it were to flourish in the changing context. A positive indication that this might take place was the realisation by a number of respondents that a previous organisation structure was inappropriate in that it exacerbated problems of communication between departments, blurred responsibilities and assisted individuals to develop conflicting, parochial departmental loyalties instead of an overall corporate team approach.

**THE FUTURE**

The external consultant has submitted the researcher's initial report and other data to the OD Association, based in the United States of America,

and, on the strength of these reports, the intervention described in this work has been chosen as one of three in the world nominated for the "Best Change Effort of the Year" by the OD Association in 1998.

In this respect the external consultant felt that the OD intervention discussed in this report was a great deal more successful than two other OD interventions conducted in fellow subsidiaries of the same holding company. He attributed the success to the support and commitment of the top management team. It would be interesting to investigate the circumstances in these other companies and conduct further research to determine the reasons for the relative lack of success more precisely.

Macro-economic circumstances in the country have changed rapidly and severely since this study was undertaken. The changes have led to an unprecedented downturn in the organisation's business fortunes. It is suggested that a further investigation take place with the objective of determining whether the espoused OD principles and practices hold good during a period of severe economic downturn and whether OD can provide a climate in which relative success is still evident despite the adverse external circumstances.

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APPENDICES

SUMMARY OF INTERVIEW RESPONSES

INTERVIEW NO. 1

**Background:**

The respondent was relatively new in his post, having been recruited externally about 15 months before. According to the holding company chief executive, his own chief executive and the external OD consultant, his performance had greatly exceeded expectations in the relatively short time he had been in the post.

He replaced an executive who was seen to be a poor performer and an obstacle to the introduction of the OD intervention.

The new incumbent was highly regarded by his peers and by others in the next level of management.

**Response:**

The respondent saw the **OD intervention** as "the sum of all the organisation's human resource plans" and as critically connected with achieving the organisation's performance objectives. He regarded the OD intervention as the core of all the organisation's efforts to make the company a more people-centred, transparent organisation. He had not been with the company long enough to have any personal experience of how it was run previously, but had been told of great dissension and in-fighting. He had seen little visible evidence of this and assumed, in this sense, that the intervention had already achieved some positive effects.

The respondent saw the corporate culture of a business as the way in which people relate to one another within the business and to those outside the organisation. It was also the way in which the organisation would like to be seen by the world and how it expressed its values and goals to the world. The organisation's "corporate culture" is formally expressed in its **Mission Statement.** The respondent noted that the Mission Statement was recently changed to make it more realistic and was seen by him to be more relevant than it had been before. In his view all

the members of top management supported the ideals and values expressed in the new document. This applied to some managers at the next level as well. However, he felt that most employees were not yet committed to the goals and standards spelt out in the Mission Statement and felt that progress in this direction was one of the goals of the OD intervention. The respondent felt that it was necessary to "get all levels of employees on side" before the objectives outlined in the Mission Statement could be achieved, but said that detailed plans were available for this as part of the OD intervention.

In terms of the organisation's detailed 3 year plans relating to human resource management, the respondent made the following points:

* The respondent saw the overriding corporate objective to be "winning the staff's hearts and minds". By this he meant a situation where all staff members felt that they could contribute effectively to the organisation and were committed to it, its objectives and its values. He saw this as a goal because the business had not yet reached this situation, but felt that management was determined to work towards the goal by involving every staff member in the operation of the organisation "in the fullest sense of the word".

* In terms of manpower rationalisation/labour productivity targets the organisation had set targets for the overall company and had then broken these down for each department and section. The budgets included estimates of sales and the levels of manpower needed in each section to achieve the sales targets. It was not a "mechanistic target", but all managers tried to adjust manpower levels to the targets as far as possible. All managers usually had some advance indications of changes in sales patterns because factors in the environment which affected sales were monitored constantly.

* The respondent saw communication as a major area of corporate endeavour. He believed that as a minimum all employees had a right to know what was expected of them in their respective jobs; that they should also feel free enough to comment on how they thought matters which affected their jobs should be organised; that all employees had a right to know how they were performing, how the whole company was doing and why, and how their section or part of the company fitted into the "big picture".

* The respondent also mentioned that the organisation was about to launch a training programme aimed at increasing knowledge of employee empowerment. The programme would act as a forum for discussions about this issue. He saw empowerment as a situation where all employees had sufficient authority and accountability to achieve agreed results efficiently and effectively at both individual and team levels everywhere in the organisation. He was excited about this goal.

* The respondent saw the goal of "aligning business objectives to the unique contributions of natural teams and individuals" to refer, for example, to a lorry crew who must work together to get a job done. He said the team was very important in this situation because individuals could not function properly in relation to job objectives unless the whole team worked together effectively.

* The organisation's policy was to promote from within the business whenever possible and the respondent saw the differences between training and development as follows: "training" was specific to particular skills and was usually undertaken to overcome certain problems or to try to improve specific performance; "development" was more general and was usually undertaken to help employees grow as people and eventually enable them to perform higher level jobs. It was not specific and was not done to solve particular problems.

* The respondent believed that people in the business could not do their jobs in isolation. They needed to be able to interact to perform these tasks.

* The respondent mentioned that the organisation was investigating a "balanced score card" performance measurement system. This system would link corporate strategy to financial and non-financial measures and would emphasise issues such as customer satisfaction and the use of measures by lower and mid-level employees to adequately summarise the results of operations performed by them. The measures would be balanced between the outcome measures - the results from past efforts - and the measures that would drive future performance. And the scorecard would be balanced between objective, easily quantified outcome measures and subjective, judgemental performance drivers of the outcome measures.

* The interviewee noted that the organisation was about to try out a 360° performance appraisal where assessments would be made by an individual's peers, subordinates and boss – an all-round assessment. It was seen to be a difficult concept which would require great transparency and trust.

* According to the respondent the introduction of a "cafeteria system" of pay and the objective of "above average pay for above average productivity" had yet to be achieved, but the company was working towards these goals.

* In terms of Industrial Relations policy, the respondent noted that the company was working towards a situation where line managers rather than specialist IR officials would handle all day to day matters.

* In terms of staff welfare, the interviewee made the point that in the smaller centres "staff urban housing for all" had been achieved, although there were still problems in Harare and Bulawayo because of the employee numbers.

* The company's plans were not ranked in terms of importance or priority but this would be investigated.

Finally, the respondent was excited about both the OD intervention and its integration with the company's plans. He saw enthusiasm and commitment from all levels of management for both the intervention and the implementation of the plans.

## INTERVIEW NO. 2

### Background:

The respondent had been with the company for approximately 24 years, joining as a graduate technical management trainee and progressing through the ranks to a top management position and, ultimately, the post of chief executive, a position he had held for approximately 4 years.

### Response:

The respondent had been seconded to an associate company in South Africa before taking up his appointment and was enthusiastic about this experience. In particular he had enjoyed working with consultants engaged in facilitating change efforts and performance management projects. On his return to Zimbabwe, he had to tackle both the quality problems and the technical issues which had led to poor product quality and a serious fall off in sales volumes. These problems had to be tackled without investing much capital expenditure, but as the quality improved so did sales volumes and the morale of the sales force. It was this change in attitudes within the sales force which convinced the respondent that it was necessary to undertake an OD intervention because "we were forgetting the people who make things happen" and concentrating on technical and marketing matters, investing in the product and in promotions.

The staff were "watching their backs" and blaming one another for poor performance and lost opportunities. There was little co-ordination and the divisions went "all the way down to the shop floor".

It became obvious that an external consultant was needed to lead the way in the early stages of the intervention, but it had taken some time to convince his colleagues who had not all been used to working with external consultants.

The intervention began with a questionnaire aimed at all the staff and asking for views about many different aspects of the business and its relationships. The data were analysed and problems were made known to all the questionnaire respondents.

This activity then led to a close study of the Mission Statement which was revised in such a way that it could become a working document,

guiding everyday work values and goals. The main principle in all these endeavours had been to arrive at a state of transparency, openness and respect for one another. This situation enabled people to question orders and challenge decisions if they had a reasonable alternative to put forward and this process was now happening.

The respondent saw justice as another central concept and illustrated this point by explaining how salaries were determined in more open forums, by justifying roles and performance for each job in the open committee of top managers. This had already led to greater equity of salaries and wages between departments and had helped to reduce individual anomalies in the pay system.

The introduction of the intervention had been top/down, but all employees from the chief executive to the lowest paid worker had made an input into the initial questionnaire. An attempt had also been made to draw lower levels of employees in to contribute to the revision of the company's Mission Statement and Core Values document.

The respondent also mentioned that the organisation "ran lean" and had arrived at this situation by not replacing all employees who had left or retired and by outsourcing certain services. Productivity was seen as a major goal and productivity targets were displayed daily in prominent positions around the factories.

A "mind shift" was also taking place in the conduct of performance appraisals. In the past performance appraisals had been used for "other things", but the current emphasis was on development, focusing on issues which could be put right by an individual.

In terms of development, the respondent saw a difference between "development" and "training". Training was seen to affect the here and now, while development was more general. He suggested that development could profit by having mentors who acted as role models in the organisation and that development meant more than technical proficiency and the "survival game": development should include the examination of values, ethics and morals, and should be holistic because these factors could not be divorced from performance in supervisory roles. The respondent

also saw the need for openness and transparency in development because "corruption only flourishes where there is secrecy and 'politicking'".

An acronym was used by the respondent to explain his attitude to company goals. The word was SUCCESS:

S = see your goal or set your goal

U = understand the obstacles

C = clear your mind of any doubts

C = create a positive mental picture

E = embrace the challenge

S = set it on track

S = show the world you can do it.

He also said that if there should be a "blip", it would not be the "end of the world" because it could still be put right as quickly as possible.

In terms of the OD intervention, the respondent saw it as the major priority to allow people to regain their pride which would in turn lead to better sales and product quality. He saw it more as a philosophy than as a plan because "it drives everything else". In practical terms the top management committee devoted full day sessions to a discussion of OD matters and nothing else. These meetings were seen to be very open and dealt with what should be done and how progress is perceived.

**INTERVIEW NO. 3**

**Background:**

The respondent had been with the company for approximately 24 years, starting as a production trainee and working up through the ranks to general management. In addition to post-graduate brewing qualifications, he held an MBA, which he completed part-time.

**Response:**

The respondent saw corporate culture as being influenced in part by the broader environment in which the organisation was situated and did not see a strong corporate identity within the company. He attributed this to a succession of chief executives and the influence of the holding company.

He felt that the Mission Statement read well but was not necessarily being lived up to in its revised form. He did, however, feel that it provided a "rallying point" which could be used as an ideal towards which one could strive and that it linked up with the ongoing OD change efforts.

He explained that the revised Mission Statement reflected the consensus view of the top management committee, but not necessarily the views of the "generality of the work force".

In terms of the OD intervention he felt that the employees were suspicious of the questionnaire at first because a similar survey had been carried out in the latter part of the 1980s and the results of that survey had not been made known. He also noted that the current survey had shown up different responses from the various levels of management and the workforce. These different groups saw the organisation in different ways and part of the goals of the OD intervention had been to resolve some of these differences. It was also important to have a clear vision of where the organisation would like to be and how it would like to appear to its shareholders. Senior management should then be committed to these goals and should adopt a policy of transparency and honesty in living up to the stated ideals.

The respondent drew a medical analogy when considering the progress of the OD intervention where he said that it was important to complete the whole intervention or the company would run the risk of "worsening the infection" and developing a "bigger resistance to change" in the future. He also made the point that "coaching" is important to overcome all the small shortcomings and to ensure continued progress.

In referring to performance appraisal, the respondent felt that this process worked best with task-oriented jobs but that managers were required to be more creative and innovative and needed a less "mechanistic" approach. He operated by talking to managers and trying to get them to regard their roles holistically in a more "broadminded" way. This approach required openness and trust - qualities the OD intervention also promoted.

The respondent also noted that the corporate culture had to be such that it allowed a manager to make a mistake and to learn from it.

In terms of development, the respondent favoured a systematic career pathing approach together with training to overcome or alleviate current problems. He felt that if an individual could see something of a clear future, present performance and motivation would improve. It needed a "listening as opposed to a telling" approach from management.

Empowerment, in the eyes of the respondent, meant creating a situation where the subordinate felt confident and comfortable when carrying out the tasks before him/her. It meant being available for consultation and explaining the tasks very carefully. It also meant understanding the person's abilities well so that the delegation of authority did not lead to frustration and inaction on the part of the subordinate. The subordinate needed confidence in the boss and empowerment therefore meant not abdicating responsibility. It also meant giving due recognition when this was earned. In short, empowerment could only operate effectively in a climate of trust.

In terms of the pay and reward system, the respondent favoured a "cafeteria type" pay system and the consultation of employees about how they would like to be paid or rewarded. He felt this was an important factor in generating positive motivation.

In Industrial Relations issues the respondent felt that line managers should play the key roles and the Human Resources Department should basically function to ensure fair play. He saw the main problem as the need to ensure that managers remained objective and unemotional about IR issues, and that they made decisions based on facts and not hearsay as far as possible. He also felt that the Code of Conduct could be used as a "coaching aid" rather than just as a stick. This approach had problems but the respondent felt they could be overcome or alleviated through careful explanations. He also felt that it was better to resolve issues at company level because determinations at the Labour Tribunal or Supreme Court were often based only on technicalities. At this stage the company had not had a case go as far as the Supreme Court.

The respondent felt that the OD intervention would assist in "making people realise they have a role to play in the organisation and that the role cannot be played by committing an offence". There were certain behaviours that the OD process put forward and once people in the organisation lived up to these expectations, IR issues would diminish. Once again it was a matter of "trust and better attitudes building up".

**INTERVIEW NO. 4**

**Background:**

The respondent was one of the longest serving top management committee members and had been in his present position for approximately 10 years. He previously held senior positions in associate companies. He was a chartered accountant.

**Response:**

The respondent saw OD as a continuous journey leading to a situation where people were constantly questioning the way in which they operated. The climate that enabled and encouraged this process was, in his opinion, a function of the corporate culture which OD attempted to promote.

He also saw a gap between the values and ideals represented by the Mission Statement and what actually happened in the business, but felt that the OD intervention helped to bridge this gap. He therefore believed in the OD process very strongly, but noted that it would be a long and difficult journey because it involved a "mind change". He saw this mind change as effective when people no longer had to consciously think of doing things but did them instinctively without conscious thought.

The respondent noted the situation where some people, including all the top management committee members, were committed to change and the objectives of the OD intervention, but others were not committed. He saw this unequal progress as part of the change process. He also referred to the situation in the company before the OD intervention and how there had been great dissatisfaction amongst all levels of the organisation's staff. The survey had brought these dissatisfactions to the surface and had opened up discussions about them. The respondent saw this as a valuable first step in the change process.

Performance appraisals were badly handled in the past because people used them to "look after their mates" and to indulge in backstabbing. The

respondent saw better performance appraisals as the consequence of many other things carried out in the OD change process, such as clarification of roles and responsibilities and agreeing terms of reference. In fact he saw role clarification as one of the key issues in the change process because it affected matters such as performance appraisal, empowerment, better communications, clarity of direction and development.

In terms of training, the respondent saw it as necessary only if something basic had changed in a particular job. This was based on the assumption that a person had the necessary technical expertise when she/he had been appointed to that particular job. He gave an example of the introduction of computerisation to a previously manual operation. As far as development was concerned, the respondent saw this taking place once an individual had the necessary technical skills and he saw development being used in looking ahead at change to "do things better". He thought "wrong management was carrying out the tasks of today rather than looking at tomorrow". Empowerment was closely linked to development.

The respondent saw the OD intervention as very important and said that top management had invested a great deal of effort in the intervention. He saw the resolution of the problems raised by the pre-intervention survey as critically important and was determined to do as much as possible to achieve these goals and not become dispirited if there were initial setbacks. He also believed that issues such as a lack of empowerment and poor communications were the result of other deeper factors and that what was needed was a basic change of attitude which would then lead to improvements in issues such as communications and empowerment.

In the past he had felt that poor communications had been exacerbated by the organisation structure, which had separated departments into specific functions, and he believed that although the structure had changed the old attitudes remained and work must be done to change them.

In terms of information systems, the respondent felt too much emphasis was placed on the financial figures which are produced after the event. He felt that more emphasis should be placed on other information which

was current and impacted greatly on the organisation's finances as well. This would make the business "more fun" to manage and it would then operate more effectively.

The respondent saw the OD intervention as successful because attitudes amongst people in the top management committee had changed significantly. He saw a "trickle down" of these changed attitudes as being almost inevitable because top management were working as more of a team and were displaying more openness and honesty. He saw the OD intervention as a process, and the "trickle down" of positive attitudes was part of that process.

He sounded a word of caution, however, because the survey had raised expectations and the pace of change might be too slow to satisfy these expectations or the solution might not always be the preferred solution. He also saw the intervention as being long term because it was dealing with changing attitudes and behaviour which was "a long process in itself". A way around this difficulty might be to bring people into the change process as far as possible and let them see that changes were taking place although they might not be at the desired pace.

**INTERVIEW  NO.  5**

**Background:**

The respondent had been with the organisation for approximately 26 years beginning as a production trainee.  He had been a General Manager for almost 20 years and was a graduate in Biochemistry.  He gained a further degree in brewing after attending post-graduate courses at the Heriott Watt College in Scotland.

**Response:**

The respondent began by recounting his experiences in the organisation from the time he joined.  Initially he had been comfortable with the organisation because it "seemed to know where it was going", had vision and a future, but later matters began to slide and management became too involved with their own agendas.  There was little vision and much dissension and unhappiness.  This situation had recently begun to change for the better again with the introduction of the OD intervention and specifically with the feedback to staff from the attitude survey.  There seemed to be more cohesion and team spirit and preparedness to "lend a hand".  These changes had begun in the top management committee and were starting to trickle down the organisation.  The respondent saw no comparison with the unhappiness of the recent past in this connection but warned that care must be taken to avoid slippage.

In terms of the survey expectations he noted the lesson he had learnt from a recent change in the job evaluation system.  The job evaluation system had been changed from one system to another and the expectation of enhanced benefits for both staff and wage grades had been raised. This did not take place and subsequently led to considerable dissatisfaction.  The lesson learnt from this experience by the respondent was that one had to be very careful indeed to explain both the purpose of the survey and the delays that could take place in implementing solutions, especially if the "solutions" involved attitude changes and changes in behaviour.

The respondent also noted that the Mission Statement had been examined by the top management committee as part of a team building exercise. The revised Mission Statement had then been used to initiate the involvement of lower levels of staff in the revision process, with the aim of both refining the document and ensuring that as many of the staff as possible were involved in the refining process.

The organisation had been a caring organisation when the respondent first joined it, but that quality had lapsed and was being reinstated through the OD process. The respondent warned against this trend going too far and creating a dependency syndrome, particularly in the area of housing. He felt that the company delivered good reward packages and was almost unique in providing school fees and subsidised hosuing, especially in the smaller centres.

In terms of the need to "win the hearts and minds of the staff" as set out in the organisation's strategic vision, the respondent saw this as a need to win the employees' trust. One way of doing this was to share the fruits of hard work and good fortune through a profit sharing scheme, and to communicate fully. The employees wanted to know where the company was going and also needed to believe that they had somebody to talk to when things went wrong.

Formal communication with the workforce took place through a works council and a liaison committee. Regular meetings took place to keep employees informed and to receive their problems and views. This had led to a situation where the employees did not want to be unionised because they felt they already had good communication with their management. These processes had been enhanced by the OD intervention, according to the respondent, and managers were more willing to listen to the workers and obtain their views.

In terms of productivity, the respondent felt the goals set by the organisation were arbitrary and a compromise between efficiency and the need "to develop our market by paying our people who are going to purchase our product" was needed.

In terms of empowerment, the respondent felt the process had to start with top management learning how to delegate power properly without

abdicating responsibility, and noted that a formal course was being designed in this respect.

In terms of performance appraisal, the respondent felt that a lot more work was needed before a 360° appraisal could become effective.

The OD intervention had created a spirit of transparency and openness such that people were more prepared to admit their mistakes and take credit for their successes without having "their ideas hijacked". The courses which people attended as part of the OD intervention had helped them to understand the meaning of co-operation and had reduced the backbiting.

## INTERVIEW NO. 6

**Background:**

The incumbent had been a top manager for about 2 years. Previously he had held a number of specialist technical positions in Associate companies and in the holding company. He held a PhD in Biochemistry from a university in the United Kingdom.

**Response:**

The respondent began by explaining the constraints placed on the organisation by its parent company, and the situation where the holding company's policies were occasionally at variance with the values of the organisation's OD intervention. This had caused some concern in issues such as personal development. The holding company had decided to stop financial support for employees who were studying part-time for an MBA. This had raised concerns among certain employees who had intended to embark on an MBA course, and had embarrassed the organisation which had been promoting self-development amongst its employees.

In terms of the Mission Statement, this was being revised as part of the OD intervention. In addition each section and department had considered the goals and values set out in the revised document and had related these to the section's specific circumstances. This had resulted in a number of Mission Statements being produced for various sections of the company, which had the positive effect of involving all the employees in the process of setting out a number of ideals which had become the blueprint for the way in which the organisation operated.

He felt that the OD intervention had been treated with suspicion at first, but that after the results of the survey had been fed back to all the respondents, and once the role clarification, effective group leadership and team building exercises had started, people began to hold a more positive view, and many of the suspicions had fallen away. This in turn had led to an atmosphere of greater openness and co-operation and people had begun to work as teams. Communications had also improved and there was less reliance on the grapevine for information.

The respondent also saw a new approach in IR committees such as the Liaison Committee where the workers, instead of tabling a list of demands, were beginning to think of macro-economic issues and their impact on the organisation and to moderate their demands in the light of this information. This represented a major change from the way in which negotiations had previously taken place. The negotiations of the past few years had been characterised by very fixed and determined opposing positions being taken by both workers and management. The respondent saw a significant change for the better in this respect. He attributed this to a growing spirit of openness, transparency and trust which had developed since the start of the OD intervention, but also felt that an improved standard of education in the newer members of the workforce had helped to persuade workers to take a broader view. There was a growing potential to discuss the impact of economic and political issues on the business and to develop a greater joint understanding of each other's point of view. To further promote this broader understanding, managers gave business updates in the canteens over lunch or after work, and explained how the organisation was performing and what problems seemed to be looming ahead.

This spirit of greater co-operation had found expression in a suggestion made by a section of workers to overcome certain efficiency problems. The management took the workers' advice, and asked the suppliers to make certain modifications to packaging materials, which subsequently improved performance. The workers reacted with pride and an enhanced sense of self-worth when this improvement became obvious.

The workers were also excited when they were informed that the organisation had been put forward for an International Standards Organisation rating and certification. The Standards Inspectors were surprised at the proficiency of the workforce and awarded the certificate.

The respondent noted the difference between training and development and pointed out that in his opinion training was administered to overcome specific problems and was usually short-term, whereas development had a longer time horizon and was embarked on by an individual because he

thought it might help him later in his life. He also noted that if an employee was assisted in his development aspirations, he usually tended to contribute more to the organisation in his current role.

The respondent saw the OD intervention gathering momentum because employees were excited about overcoming problems jointly, and felt that once the momentum had started it would be disastrous to slow it down again, or try to "switch it off". He felt there was a growing enthusiasm which had been encouraged by positive factors in the macro-economic environment which had in turn led to greatly improved sales.

The respondent also noted that if an employee was happy and content with his job and proud of his employer, this positive attitude rubbed off on his wife and family, who then "spread the word" about the employer's favourable treatment. The image of the organisation was thus enhanced.

**INTERVIEW   NO.   7**

**Background:**

The incumbent had been in his present position for approximately 6 years, and before taking up this position had understudied his predecessor for 2 years.   He  had  had  previous  experience  in  senior  roles  in  other organisations before joining this company.   He was educated in the United Kingdom  from  a  senior  high  school  stage  and  held  three  degrees  -  in Economics, Business Science and an MBA.

**Response:**

The  respondent  noted  that  the  organisation's  corporate  culture  had changed during the past few years and that the change had coincided with an  influx  of  new  people  into  top  management  positions  and  with  the beginning of the OD intervention.   Traces of the old culture were still evident in parts of the organisation but these traces were fading with the changes experienced by the majority of people in the organisation.

The  old  corporate  culture  was  one  of  fear,  of  secrecy,  of  "stabbing you in the back", of watching where you were going, and also watching who would try to score points off you.

But a new and different culture was beginning to take shape.   There was a new openness and a feeling of togetherness, which was helped by the OD intervention.

The original Mission Statement had been adapted from that of the holding company and the ideas and values expressed in the document differed from the way in which the organisation was run and the way it behaved.

The revised Mission Statement was initially debated by top management and then by lower levels of staff.   It was also couched in terms which could be  understood  by  the  generality  of  the  workforce.   Because  junior managers  were  involved  in  its  compilation,  they  felt  more  able  and willing to go out and disseminate the meaning of the Mission Statement. The respondent also felt that values and ideals changed over time and the Mission  Statement  therefore  needed  regular  perusal  and,  if  necessary, revision.

The OD intervention had created an atmosphere which facilitated debate around the Mission Statement. This atmosphere did not exist previously, when individuals were too guarded and timid to express deeply held personal views. The respondent felt that one of the main contributions of the introduction of OD to the organisation had been the new atmosphere of openness "which encourages us to be bold".

The OD intervention also made a positive impact beyond the values and goals of the Mission Statement - it led to changes in the actual operations, in decision making and "the way people work". But progress had not been uniform. One particular region had taken to OD very well because the General Manager was naturally "an open sort of person" who wanted to empower people, and the results were "incredible". People were very motivated, to the extent of sorting out problems although they were on leave. People were also prepared to challenge a decision if they thought it was wrong and were very much at one with the organisation and wanted it to succeed.

The respondent also stated that his own management style had been influenced by "what is happening and what has happened with OD". This applied to others in the top management committee as well; they were operating as a team, which had not been the case previously. In the past even at board meetings one had had to be alert to the attempts of one's colleagues to score points or to allocate blame for poor performance. There had been no teamwork. OD had changed these attitudes. People were more prepared to tackle problems together as a team.

The respondent saw evidence of this new spirit of co-operation in the setting of salaries. For the first time this task had been performed in an open forum, where all managers had had an opportunity to comment, support or criticise a particular proposal. This process had resulted in the alleviation of many anomalies and inequities.

Budget control was another aspect of openness and empowerment. Middle level management were given broad tasks and were asked to go away and develop strategies and make effective use of the budgets. They were less inhibited by tight controls and responded well to the challenge.

In addition channels of communication had been shortened and the respondent was able to contact managers in other departments directly, greatly reducing previous time delays. This was facilitated by the improved inter-personal relationships which were developing, partly as a result of the OD intervention.

But the respondent noted that empowerment went with responsibility and that people would not be empowered unless they were prepared to accept accountability for their decisions and actions. The role of senior management was to give guidance and act as backstops, but empowerment meant that people must have the ability to make mistakes, provided they were able to learn from them. The respondent felt that when it came to the top management committee, the head of the department remained responsible for the action taken by a subordinate.

Empowerment had made a radical change in the way his department was run, as middle level people had begun to feel more confident and to take both the responsibility "and the flak", and they felt that they had to contribute. The respondent felt that this had reached the stage where he was learning from his subordinates when it came to reviewing plans and projects. "We share and we all learn".

In terms of what had led to the implementation of the OD intervention, the respondent felt that the holding company had put pressure on the organisation, and this had happened at a time when discord had permeated the whole structure of the business. "The negatives were filtering through and obviously impairing performance".

The consultant was the catalyst and the means to get the intervention started during the initial climate of distrust. After the survey results became known people were initially not prepared to talk. "I wouldn't stand up and say, 'Look, the board does A,B,C,D' because you didn't know where it would end." The respondent felt that he had become part of the old culture and had used "the political game" to enhance his own position. The consultant had been able to slowly sow the seeds of disruption of this culture and people had then become more open and "prepared to open their mouths rather than keeping them shut". The culture had begun to change.

In terms of pay and the reward system, the respondent felt that the perception within the organisation was that it did not pay well. This differed from the perception outside the business. The difference in perceptions probably arose from the fact that the organisation's total packages were better than those of the competition, but other organisations allowed their employees to drive more expensive cars and this created an impression of affluence and privilege. There were also anomalies in the pay structure which disadvantaged certain individuals, but these were in the process of being rectified.

As far as performance appraisal was concerned, the respondent felt the organisation did a very good job. He thought that the system was fair and worked well. It allowed great openness between boss and subordinate, and the boss was not forced to be negative. This occurred because boss and subordinate agreed key result areas before a task was begun. Each individual was therefore able to measure his/her own performance, and the reviews were easier and more objective than before. The focus was on issues which could be rectified and improved and was therefore developmental in its emphasis.

In terms of training and development matters generally, the respondent felt that the organisation had not done very well. He attributed this to the availability of a number of packaged courses delivered by an in-group training facility. This had led to managers becoming lazy about assessing specific training needs and developmental methods. He felt more time should be spent mentoring subordinates and discussing specific needs. People did benefit from attending standard courses "but I think that we could do it better". This was brought home to him when a new employee with a Masters degree in her speciality was engaged. The respondent had thought she would know how to operate without much supervision but had found that mentoring and coaching were necessary. He thought that this approach achieved more than attending a variety of courses, and that senior management should spend more time mentoring subordinates.

In terms of development, the respondent felt that more could be done, but that empowerment created the right sort of environment for development. He reiterated his belief that the organisation spent too much time and resources "sending people on courses" and too little time handling development in a more focused manner through coaching and mentoring.

Despite these shortcomings the respondent felt the organisation was "proceeding in the right direction"". He attributed this in large measure to the OD intervention and to the appointment of an OD manager as the "champion of this whole thing". He saw some people lagging in the change process, but others were "very, very enthusiastic". In his opinion about 85% of the people in the organisation were looking forward to the change and would want the intervention to continue. He also saw the OD intervention as a process and felt that the situation would never be reached where "you will stop and lift your hands up and say, 'It has worked!'" He felt that the destination is less important than the manner in which one "progresses along the way". The respondent also stressed the importance of sensitive leadership in a constant change process.

**INTERVIEW  NO.  8**

**Background:**

The incumbent had been in his post for approximately 6 years. He was a Business Science graduate and was completing the final part of an MBL degree through UNISA.  His thesis was on "Managing the change process".

**Response:**

The respondent began by talking about organisational politics in general and wondered whether some political posturing is not inevitable in any organisation.  He also mused about why people indulged in organisational politics, and came to the conclusion that it was motivated by a strong measure of vested interest.

He then went on to say that when he had joined the company, its structure had been much as it was at the time of the intervention, but in the interim it had changed.  The altered structure had involved functional splits, with each department reporting to an official in the corporate head office.  This had caused problems in communications at regional level and the organisation's performance had suffered.  After a period of about 2 years the original structure had been reinstated and General Managers had been reintroduced in the regions.  He attributed these changes to organisational politics rather than to reasons of efficiency and effectiveness, and this had made him suspicious of all major organisational changes.

Turning to the OD intervention, he mentioned that he was supportive of its aims and objectives, particularly because it was not forced on the organisation by the holding company but arose from an understanding within the company.  The intervention had come about because people were starting to question the company's vision in relation to the changing environment.  The intervention had therefore arisen from a measure of self-awareness on the part of the company.  It had also taken courage for the chief executive to appoint an external consultant to conduct the initial OD survey because many "skeletons came out".  More courage was

needed to publish the results of the survey openly because many of the criticisms were aimed "right at the top". However, the results of the survey were displayed to all levels of the organisation with great transparency. In the past this had not happened because if the survey results were unfavourable to top management, they were "swept under the carpet". However, this time issues such as lack of vision, unfairness, lack of transparency, tribalism, regionalism, racism and favouritism were mainly issues that needed the active attention of top management. A committee of top managers was put in place and as many of the problems as possible were tackled immediately. Others took longer to deal with, but the people could see that something was being done.

This new awareness had created a more positive atmosphere which was "trickling down" the organisation. In the past the organisation had been production-led, but this was changing to a market-driven motivation and departments other than Finance, Production and Engineering were coming to the fore. In particular the Human Resources Department was achieving more positive prominence than it had ever done in the past.

The OD intervention had started, for the respondent, with the formal critique of the previous Mission Statement which had been based on that drawn up by the holding company. This document had been used as the starting point to debate a more practical and user-friendly type of Mission Statement which would not only be a set of ideals but would also provide a framework for everyday activities. The debate had taken place with representatives from all regions and departments and had helped to establish a common, shared vision of where the company was going and how it intended to operate.

The second biggest impact after the revision of the Mission Statement had been the appointment of an OD manager in the Human Resources Department. This person had the responsibility of following up on the progress of the OD intervention in all its forms and of stimulating groups and individuals to meet agreed targets.

There had also been an emphasis on role clarification from the top management committee down, in which every role had been examined and debated in open forum. The process had led to better interpersonal relationships and greater understanding of individual styles and preferences. All this had made for a much warmer working environment, with greater mutual understanding.

The respondent noted that performance appraisals, the reward system, communication strategies, empowerment, and training and development had always been undertaken in the organisation but a co-ordinated approach and fairness in the processes had been lacking. This was changing, with impetus provided by the new attitudes stimulated by the OD intervention. In particular role clarification was important if performance appraisals were to be meaningful, and this clarification was the aim of the specific OD interventions. Openness was also necessary to ensure equity between departments and people.

The respondent also noted that the emphasis was on job efficiencies, the elements of a job rather than on job effectiveness, whether a job is necessary. He saw job effectiveness as the subject of a second phase in the OD intervention, but for the moment the emphasis was on job efficiencies because there was a great deal to be done in this area.

He saw innovation and creativity coming into the planning process and felt that this planning should take place within constraints of resources and time. This demanded collaboration and a focus on shared objectives.

In terms of rewarding innovation and creativity the respondent saw this area to be problematic because it was subjective.

The respondent also raised the question of the survey and the initial OD intervention increasing expectations. He wondered whether it would be possible to meet these expectations at the anticipated rate. This led to the question of the sustainability of the momentum of change and how this could be achieved. The respondent also noted the organisation's experiences when it had attempted to change the job evaluation system - "it brought joy and it brought tears with it as well".

In terms of Industrial Relations the respondent felt that the main issue was to create the right climate, because "if the environment is bad, then no matter what you do, things will not work out so well". OD had helped to create a climate of commitment and personal conviction.

**INTERVIEW NO. 9**

**Background:**

At the time of the interview the incumbent had been in his position since December 1997 but had been with the company for about 6 years.

**Response:**

The respondent began by noting that the holding company had encouraged the introduction of the OD intervention because it had been worried about circumstances in the organisation, about the way in which the organisation had been run. The holding company had proposed making use of an external consultant to facilitate the intervention and the choice of the particular consultant had been made because he had performed well in interventions in other Group companies.

The intervention began with a survey of all employees in the organisation from "top to bottom". The questionnaire had asked for views about a wide range of issues concerning the company, its relationships, its management styles, conditions of service, pay, supervisory practices, how the organisation was placed in the environment, how it was perceived and what its goals and visions were. The questionnaire was administered by the consultant with the help of members of the organisation and achieved an almost total response.

A task force was then set up to analyse the results of the questionnaire. The task force consisted of the consultant and managers from a number of levels of management and from a variety of departments and regions. The task force analysed the survey results and made suggestions for the consideration of the top management committee.

The top management committee considered the findings and suggestions, and produced a blueprint in response to these views. The blueprint agreed to take some immediate action and to consider more complex issues for later attention. The results of the survey were also fed back to all employees together with these responses from top management.

The external consultant was necessary to act as a catalyst to encourage change because change "is not easy" and the "same old people had their bad habits and ways of doing things so involving them was very diffi-

cult". The consultant began by focusing on the top management because everyone realised that it would be very difficult for any change to be effected without the active support and conviction of top management. This resulted in top management undergoing leadership, team building and role clarification exercises to help them with their re-orientation.

At about this time it was decided to appoint an OD manager to facilitate and co-ordinate the OD intervention's programmes for the company as a whole. "Team excellence champions" were also elected in each of the four regions to chair committees of up to 6 people who would be charged with promoting the aims of the intervention and providing feedback to the OD manager and consultant and, eventually, to the top management committee. The criteria for election to the role of a team excellence champion were to be passionate about the OD programmes and to have initiative, to "be a go-getter".

The team excellence committees had done valuable work in seeing that the intervention was implemented effectively and in providing continuous feedback. They met on a monthly basis, but "data collection is on a daily basis". The committees also met with the regional general managers on a monthly basis and with the OD manager on a quarterly basis. The committees had produced interesting ideas, such as the production of a newsletter, published monthly, for distribution to all staff. This kept them informed of events taking place in the organisation.

The respondent then mentioned the results of the questionnaire survey. In all 12 problem areas were identified, 8 of which were relevant to the OD intervention. The remaining 4 problem areas concerned relationships with the holding company, government, shareholders and other organisations. The 8 problem areas were all seen to be important and had varying degrees of urgency. Some of the problems required immediate attention while others needed further deliberation. The 8 problem areas included:

* a lack of empowerment in day to day operations,
* a lack of a clear direction in which the business was going,
* a lack of transparency which led to rumour-mongering and favouritism,
* a lack of performance feedback to both individuals and groups. This resulted from ineffective performance appraisals and led to inequities in the salary system,

* a lack of co-operation between departments which led to poor co-ordination of operations,

* a state of poor communications throughout the company so that major events took place without most people knowing about them,

* regionalism, tribalism and racism were evident in the organisation's actions,

* inequities in the salary and reward system existed between departments, regions and individuals, partly because of ineffective performance appraisals and partly because of favouritism.

Progress towards resolving or alleviating these problems was monitored by the OD manager on a monthly basis and his analysis of the situation was fed back to the regions for further action as necessary. The respondent also mentioned that change was dynamic and required constant monitoring and corrective action to keep abreast of new developments in the environments, both internal and external.

The respondent stated that the company was looking at the introduction of incentives to maintain the momentum of the intervention and to ensure deeprooted changes in the organisation's culture.

The success of the business in financial terms had helped the intervention and innovative ideas were being encouraged to maintain this momentum. The idea of "team excellence" was one such innovation which was submitted by a "team excellence" committee - the process was formerly known as a "change effort". One of the goals of the intervention was to encourage independent thinking. The respondent then noted that one of the issues in the blueprint of management's reaction to the survey was to encourage an ability to make genuine mistakes as part of the learning process. This issue was being considered in relation to empowerment and how best it could be encouraged. The respondent commented that empowerment did not mean abdication and felt that empowerment was a two-way process between boss and subordinate.

In terms of commitment to the OD intervention the respondent felt that most employees were beginning to experience the benefits of OD and were ready to support it further.

**INTERVIEW NO. 10**

**Background:**

The purpose of this interview was to obtain the holding company's perspective of the situation in the organisation which led to the present OD intervention, and their perception of how this intervention contributed to the organisation's performance.

**Response:**

The respondent noted that the intervention was "encouraged strongly" by the holding company because of the poor performance of the organisation. There were quality problems, sales volumes were falling away and the management team were continually bickering among themselves and following their own agendas.

The external consultant was chosen because there was no OD expertise in either the organisation or the holding company, and this particular consultant had done a reasonable job in another group company. The previous Human Resource Director, who had been a poor performer as well as an opponent of an OD intervention, had left the company. His replacement was seen as an ideal catalyst for the OD intervention and this factor governed the timing of the introduction of the intervention.

The holding company felt that the intervention had made a significant and positive impact on the organisation. This had been helped by a market upturn following the development of a favourable market niche brought about by macro-economic circumstances. The management team was also more focused and committed and this had resulted in improved product quality, better packaging and sharper controls. There was, however, some way to go before past difficulties were overcome and the organisation was able to survive "tougher market conditions" should macro-economic fundamentals deteriorate and a downturn in business occur.

INTERVIEW NO. 11

**Background:**

The consultant brought in to facilitate OD interventions in a number of group companies had been based in Zimbabwe for approximately 11 years and had had experience of local conditions as well as considerable OD expertise and experience in America and Europe.

**Response:**

The consultant felt that the organisation and another client in Norway had been his "biggest success stories". Both were on the brink of collapse when the interventions started and might have failed had nothing been done. In the organisation's case the "product was terrible, prices were too high, marketing was awful and sales volumes were responding by going into free fall". In addition to all these problems the management team was not a team but individuals were working against each other in a type of "ongoing organisation civil war".

The issue that tipped the balance was the organisation's top management team who realised their predicament and were desperate. They were all able executives and "the new Human Resource man is world class".

The respondent referred to a meeting he had attended with the organisation's chief executive and top management team in Kwekwe, where an engineer had wanted to show the chief executive a new piece of plant which had recently been installed, but the chief executive had first spent time chatting to the staff and going around shaking hands and greeting people. Some of the staff had greasy hands, but paying attention to them had made a "huge impact" and was really appreciated.

The consultant noted that he had not previously seen such dedication to an OD intervention amongst a top management team. Usually matters were delegated to others, but in this instance the management team had really committed themselves and had held meetings in various venues around the country in an attempt to get to know the local people better.

In terms of the organisation's structure the respondent felt it needed some fine tuning in order for the organisation to meet its goal of customer service.

## INTERVIEW   GUIDE

### 1.  ORGANISATION  DEVELOPMENT

1.1.  The questions will begin by attempting to gain general under-
standing of how the interviewees view OD, and in particular how
they judge the ability of an OD intervention to achieve the
company's performance objectives.

1.2.  The next step will be to gain an understanding from the
interviewees of how and why the intervention was introduced to the
organisation.

1.3.  A further objective of the questions will be to gauge the inter-
viewees' personal commitment to the OD intervention.

1.4.  The emphasis will then move to obtaining the interviewees' views
on how the OD intervention is progressing and whether it has shown
any positive benefits so far.

1.5.  The final set of questions in this section will be to gain an
understanding of how the interviewees see the functioning of the
organisation after the final withdrawal of the OD consultant.

### 2.  MISSION  STATEMENT  AND  CORE  VALUES

2.1.  The next set of questions will link with the OD intervention and
will be aimed at gaining an understanding of the interviewees'
ideas about corporate culture in general, the organisation's
culture before the OD intervention, and if and how it is changing.

2.2.  If the interviewees see changes, the reasons for the changes will
be probed.

2.3.  This then provides the opportunity to turn the discussion to the
company's Mission Statement and to see whether the ideals and goals
in the Mission Statement accurately reflect the company's corporate
culture and the situation on the ground in the eyes of the
respondents.

2.4.  The way in which the Mission Statement was revised will be probed
and an attempt made to gauge whether the new goals and ideals are
realistic and attainable.

2.5.  The role of the OD programme in the revision of the Mission State-
ment will be probed as well.

2.6. This will then provide a lead-in to an understanding of how the OD intervention can help in attaining the goals outlined in the Mission Statement.

## 3. THREE YEAR BUSINESS PLANS FOR "HUMAN RESOURCES AND ORGANISATION"

3.1. The attempt here will be to determine the extent to which the OD intervention is linked with corporate plans and whether the respondents see that the goals and ideals promoted by the intervention find expression in the execution of the plans.

3.2. The investigation will begin by probing the respondents' understanding of terms such as "winning the staff's hearts and minds".

3.3. It will continue by turning to Manpower Rationalisation and Labour Productivity targets and obtaining the interviewees' understanding of productivity targets, and whether there are any perceived tensions between productivity targets and the aim of being a "caring employer", or other OD values and targets.

3.4. In terms of organisational culture change objectives, issues such as performance management, empowerment and communications training will be investigated together with matters such as who decides what communication is "required to ensure staff at all levels have the information they need to do their jobs effectively"?

3.5. In the section relating to skills, the following matters will be probed, and their consonance with OD examined:
a) what constitutes a "top performer"?
b) how are high potential employees identified?
c) how frequently do inter-divisional transfers take place?
d) what constitutes "people management skills" and how can they be acquired?

3.6. In performance management, issues such as a "balanced score card for all levels of management" and "360° performance appraisals" will be probed to obtain some understanding of how they are perceived and whether they are linked with the intervention and its values.

3.7. As far as rewards and recognition are concerned, the ways in which increases or bonuses are granted will be probed and the interviewees will be encouraged to give their views of the fairness of

the system, its good points and its limitations, and the reasons for these views.

3.8. The organisation's industrial relations climate will be examined through the eyes of the interviewees and an assessment made of the impact of the intervention on this climate and on IR generally.

## 4. PLANNING

In this section an attempt will be made to discover the respondents' views on whether the OD intervention has made any impact on detailed human resource plans or policies and if there has been an impact, on how this is manifested.

# MISSION   STATEMENT   AND   CORE   VALUES

## MISSION STATEMENT

"X" is a customer driven company that produces, markets and dependably distributes the highest quality:-

- Lager beer available to an increasingly expanding share of the total consumer market in Southern Africa.

- Barley malt available to an increasingly expanding share of the total distilling and brewing market in Southern Africa.

### Vision

To create a strategic alliance with customers, so as to meet and exceed customer expectations. To exploit opportunities, through sustenance of Total Quality Management and Total Customer Satisfaction.

## CORE VALUES

### Customer Satisfaction

We will continually aim to deliver excellent customer satisfaction through affordable, high quality product and service.

### Market Leadership

To be well above the rest in the liquor business. To be the most preferred supplier who operates in a socially responsible manner and with envied Business Ethics.

### Team Effectiveness

We will be a caring and supportive organisation treating each other with mutual respect, integrity, honesty and trust.

### Business Ethics

To be beyond reproach in all we do.

### Continuous Improvement

As a progressive Organisation, we will reinforce a performance culture whereby technological advancement, product quality, improved profitability and growth for the Organisation are paramount.

### Human Resources Development

We are committed to attracting, developing and retaining the best skills available.

## Corporate Citizenship

We are committed to:-

- Community care and social responsibility through sport, educational sponsorship, Covenants and other community-based development programmes.

- Providing new business opportunities through linkages.

# MISSION STATEMENT AND CORE VALUES

## MISSION STATEMENT

To be a World Class Manufacturer, Marketer and Distributor of high quality Lager Beer by any measure.

### Vision

To create a strategic alliance with customers, so as to meet and excel beyond customer requirements. To exploit opportunities through sustenance of Total Quality Management and Total Customer Satisfaction.

To achieve 2,5 million hectolitres beer sales by the year 2000.

## CORE VALUES

### Customer Satisfaction

We all will continually aim to deliver excellent customer satisfaction through affordable, high quality product and service.

### Market Leadership

To be well above the rest in the liquor business. To be the most preferred supplier who operates in a socially responsible manner and with envied Business Ethics.

### Team Effectiveness

We will be a caring and supportive organisation treating each other with mutual respect, integrity, honesty, trust and participative management.

To provide an environment that encourages and recognises innovativeness, open communication, development of knowledge and competitiveness.

### Business Ethics

To be beyond reproach in all we do.

### Continuous Improvement

As a progressive Company, we will reinforce a performance culture whereby technological advancement, product quality, improved profitability and growth of the industry are paramount.

### Corporate Citizenship

We are committed to community and social investment through sport, educational sponsorship, covenants and other community-based development programmes.

To provide new business opportunities through linkages.

**EXCERPT FROM COMPANY PLANS :**
**YEARS ENDING MARCH 1998 TO MARCH 2001**

## 4.3. HUMAN RESOURCES AND ORGANISATION

**Strategic Vision**

To have highly productive and self-driven staff at all levels by winning their "hearts and minds".

4.3.1. Manpower Rationalisation/Labour Productivity Targets

- Strive for labour productivity improvements as      Year 1,2,3
  detailed below, with a target of 1 000 Hls/Man/Year

|                      | F98       | F99       | F00       | F01       |
|----------------------|-----------|-----------|-----------|-----------|
| Volumes (Hls sold)   | 1 505 163 | 1 655 680 | 1 804 692 | 1 949 089 |
| *Complement          | 1702      | 1692      | 1741      | 1792      |
| Hls/Man              | 884       | 979       | 1037      | 1088      |

(Note: Complements include Corporate)

Opportunities for achieving the above, inter alia, lie in the following areas:-

- Outsourcing some support services.

- De-layering, avoidance of role overlaps as well as multi-skilling for multifunctionality.

- Automation/Mechanisation.

- Strategic integration of Support Functions with Core Business thereby create mini-enterprises.

4.3.2. Organisational Culture Change

- "Roll down" of EGL, Team building and Role Clarification
  to Band "E" and selected Band "F" Managers      Year 1

- Training:-

  - All Managers
    Performance Management      Year 1,2

  - All Staff      Year 1,2
    Communications Training
    Customer Service Training
    Empowerment

- Alignment of Business objectives to Unique      Year 1,2,3
  Contributions of natural teams as well as individuals

- Communication - focusing on that communcation      Year 1,2,3
  required to ensure staff at all levels have the
  information they need to do their jobs effectively

4.3.3.  Skills

- Recruitment and selection -

| | |
|---|---|
| - Top performers at all levels | Year 1,2,3 |
| - Excess management trainees | |
| - Filling gaps in the management structure, namely in Distribution, Engineering, Packaging and Warehousing | Year 1,2 |
| - Filling skills gaps in IT | |

- Succession Planning-

| | |
|---|---|
| - SDP (Band "E" and above plus management trainees) | Year 1,2,3 |
| - Identification of high potentials ("HPO's") - MANCOM "HPO's" & ROC "HPO's" | Year 1,2,3 |
| - Exploring "cross-career" opportunities for "HPO's" with the Group | Year 1,2,3 |
| - Inter-divisional staff transfers to retain high fliers. | |

- Training & Development (T&D)-

| | |
|---|---|
| - Inculcating culture of Line-driven and individual-driven T&D | Year 1,2,3 |
| - 5 training days per person per annum | Year 1,2,3 |
| - Multi-Skilling | Year 1,2,3 |
| - More structured management development programmes (i.e. management trainees and "HPO's") | Year 1,2,3 |
| - Giving emphasis to core competencies-based T&D | |
| - Establishment of Age and Education profiles of staff | Year 1 |
| - Secondment programmes for "HPO's" | Year 1,2,3 |
| - Upgrading IT Skills | Year 1,2,3 |
| - Accelerate people management skills acquisition with special focus on high-stress areas | Year 1,2,3 |

4.3.4.  Performance Management

- Further improving the Performance Management system, to include the following:-

| | |
|---|---|
| - Congruency with company Vision, Goals, Values and general "Culture" | Year 1,2,3 |
| - Visible measurement systems for all | Year 1,2,3 |
| - Balanced Score Card for all levels of management | Year 2,3 |
| - Personal Business Commitments for all staff | Year 2,3 |
| - 360 degrees performance appraisals | Year 2,3 |
| - Forced distribution of ratings | Year 2,3 |

4.3.5.  Rewards and Recognition

Implementation of innovative rewards and recognition systems that attract, retain and motivate staff.  Such systems to include the following elements:-

| | |
|---|---|
| - Above average pay for above average productivity | Year 1,2,3 |
| - Linking salary increases with performance appraisal (see 4 above) and market trends | Year 2,3 |

       – Equitable Oscar Awards/Incentives at both individual  Year 1,2,3
         level and team level (i.e. natural groupings)
       – Competency-based pay                        Year 2,3
       – Cafeteria system (Broad Band "D" and above)    Year 2,3

## 4.3.6. Industrial Relations

       – Line ownership of Industrial Relations management  Year 1,2,3
       – Making Liaison Committees more effective      Year 1,2,3
       – Formation of Brewing Industry NEC           Year 1
       – "Roll down" of Hay to wages staff           Year 1,2
       – Negotiating amendments to the Employment Code of    Year 1
         Conduct and registration thereof
       – Maintaining an above average minimum wage      Year 1
       – Introduction of Worker-of-the-Year Competition   Year 1,2,3
       – Formalisation of Ideas and Suggestions Scheme    Year 1,2,3

## 4.3.7. Staff Welfare

       – Staff urban housing for all               Year 1,2,3
       – Formation of Employee Trust Fund to administer other  Year 1
         loans (i.e. welfare, education, etc.)
       – Intensification of sports and recreation programmes  Year 1,2,3
       – Uprating of water closets, change rooms, lockers,    Year 1,2,3
         etc.

## 4.3.8. Health & Safety

       – Continued worker education on HIV/AIDS        Year 1,2,3
       – Intensification of counselling programmes on      Year 1,2,3
         "living with" HIV/AIDS at the workplace
       – Safety training (to include defensive driving,     Year 1,2,3
         etc.)

**EXCERPT FROM COMPANY PLANS :**
**YEARS ENDING MARCH 1997 TO MARCH 2000**

<u>Human Resources and Organisation</u>

| | |
|---|---|
| - Succession Planning (including Staff Development<br>= Panel interviews) | Year 1,2,3 |
| - External Training: we will endeavour to send two<br>managers per year for external training (E.D.P. Cape<br>Town, Heriott Watt, etc.) | Year 1,2,3 |
| - Manpower Rationalisation | Year 1,2,3 |

|  | F97 | F98 | F99 | F2000 |
|---|---|---|---|---|
| Hls sold | 1,325 067 | 1,462 500 | 1,753 537 | 1,803 537 |
| Manpower | 1,351 | 1,351 | 1,352 | 1,351 |
| Hls/Man | 981 | 1,083 | 1,314 | 1.335 |
| Target | 1000<br>Hls/Man | | | |

| | |
|---|---|
| - Training for development and growth<br>  = 5 training days per person<br>  = Management trainees<br>  = Technical trainees | Year 1,2,3 |
| - Multi-Skilling | Year 1,2,3 |
| - Team building | Year 1,2,3 |
| - Marketing training | Year 1,2,3 |
| - Hay Job Evaluation (F98) | Year 1,2,3 |
| - Skills development and competency-based training | Year 1,2,3 |
| - Performance management | Year 1,2,3 |
| - Organisational development (structure) | Year 1,2,3 |

- <u>Wages and Salaries</u>:

| | |
|---|---|
| - Emoluments and conditions of service to be kept in<br>line with market trends | Year 1,2,3 |
| - Oscar Awards: Worker of the Month; Driver of the Year, etc.<br>Reward good performance. | Year 1,2,3 |
| - Cater for Hay adjustments | Year 1,2 |
| - Link merit increases with performance appraisal score | Year 1,2,3 |

- <u>Industrial Relations</u>:

| | |
|---|---|
| - Employment Code of Conduct: Review to fall in line with<br>changing circumstances | Year 1 |

|  | F97 | F98 CURRENT | F99 +30% | F2000 +30% |
|---|---|---|---|---|
| Grade | | | | |
| 15 | 992 | 1300 | 1600 | 2179 |
| 14 | 1023 | 1330 | 1729 | 2248 |
| 13 | 1097 | 1426 | 1854 | 2410 |
| 12 | 1271 | 1652 | 2148 | 2792 |
| 11 | 1388 | 1804 | 2346 | 3050 |
| P.D.L. | 1950 | 2535 | 3296 | 4285 |

\* All other wages/salaries to move up by 30% per annum during plan period to keep above inflation.

- <u>Health and Safety</u>:

  - Continued worker education on AIDS                           Year 1,2,3

  - Caring for affected employees and counselling with           Year 1,2,3
    help from psychologists

  - Work practices and facilities                                Year 1,2,3

- <u>Employee Social Requirements</u>:

  - To take advantage of Government and Municipal agencies        Year 1,2,3
    who are servicing stands for building houses

  - Get close to banks, building societies and construction       Year 1,2,3
    houses (e.g. Costain)

## EXCERPT   FROM   COMPANY   PLANS   :
## YEARS   ENDING   MARCH   1996   TO   MARCH   1999

### 4.3.   Human Resources and Organisation

- External Training: we will endeavour to send two managers per year for external training (E.D.P. Cape Town, Heriott Watt, etc.)

- Manpower Rationalisation:

|          | F96       | F97       | F98       | F99       |
|----------|-----------|-----------|-----------|-----------|
| Hls Sold | 1,228.482 | 1,349,500 | 1,491,000 | 1,631,000 |
| Manpower | 1,438     | 1,351     | 1,351     | 1,351     |
| Hls/Man  | 845       | 999       | 1,104     | 1,207     |
| Target   | 1000 Hls/Man | | | |

- Training for development and growth
  5 training days per person

- Multi-skilling

- Team building

- Market training

- Hay Job Evaluation (F97)

- Sharpening of skills at all levels

Wages and Salaries

- Pay above inflation increases per annum for all year in the plan period.

- Reward good performance by awarding above average increases.

- Link merit increases with performance appraisal score.

|          | F96  | F97  | F98  | F99  |
|----------|------|------|------|------|
| Grade 15 | 763  | 992  | 1290 | 1676 |
| 14       | 787  | 1023 | 1330 | 1729 |
| 13       | 844  | 1097 | 1426 | 1854 |
| 12       | 978  | 1271 | 1652 | 2148 |
| 11       | 1068 | 1388 | 1804 | 2346 |
| P.D.L.   | 1500 | 1950 | 2535 | 3296 |

- All other wages/salaries to move up by 30% per annum during plan period to keep above inflation.

AIDS:

- Continued worker education on AIDS.

- Caring for affected employees and counselling with help from psychologists.

Employee Social Requirements:

- To take advantage of Government and Municipal agencies who are servicing stands for building houses.

- Get close to banks, building societies and construction houses (e.g. Costain).