

The Use of "OD" for Managing Change in Government Organizations

Edward J. Jasaitis

ABSTRACT

In today's global environment change has become the norm rather than the exception. In this type of environment organizations need to become learning and changing if they are to be effective. The paper discusses the nature and the process of change. It considers the concepts of learning organizations and how to create these organizations and concludes by presenting some "OD" techniques practiced in Lithuania.

PURPOSE

The Baltic states are entering the sixth year of their independence. Their initial feelings of great optimism and euphoria of freedom have worn off and hopes in the promises of democracy to bring better life have turned to frustration. The era of Soviet colonialization has left a deep mark on the way government organizations act and their employees perform. In spite of this and mistakes by the elected leadership and their administrations, progress has been made to develop government organizations possessing management skills and understanding of administrative requirements prescribed by their constitutions and essential for transactions in the global community.

In today's global environment, change has become the norm rather than the exception presenting us with a continuing major problem of coping with new requirements and their resolution. Changes in technology, demography, and society demand that our public agencies respond to their citizens' changing needs with more innovation, efficiency and effectiveness than ever before.

If we look at how things are currently done at the Lithuanian national government level, it is surprising that anything gets done. Its administrative processes and procedures seem to be ineffective and the government unable to provide

the necessary leadership required for Lithuania to achieve development consistent with its potential. Its public organizations (bureaucracies) are structured based on the view that we live in static environment, while in reality the global setting is turbulent and constantly changing. In the end, it seems that the enemy to progress is the government itself. Judging by the Lithuanian's banking crisis of December 1995 and its political aftermath, very little is being done at the national level to address the inability of its organizations to meet the present day needs or even to admit that there are problems with the ways things are done. It chooses to operate within boundaries that prohibit innovation, initiative and change.

To alleviate this lack reluctance to change, ways must be found which aid the acceptance of new management approaches and organizational structures and allow for a sincere commitment to change. The main purpose of this paper is to examine the concept of organizational change and suggest a process which may assist government organizations to be more effective in dealing with the changing societal needs using Lithuania as a model.

THE NEED

In today's environment, change has become the norm rather than the exception presenting us with a continuing major problem of dealing with new requirements. The increasing pace of change due to computers, information technology, communications and globalization of the economy demand that our public agencies respond to the changing needs with more innovation, efficiency and effectiveness than ever before.

Accepting new management approaches and organizational structures require a sincere commitment to change. For a program to succeed, it

must generate support at all levels and acceptance by the majority of the employees. The demise of similar programs such as Planning, Programming and Budgeting Systems and Zero Base Budget (PPBS and ZBB) in the US can be an example of what not to do. The failure of these programs can be attributed to their top down imposition and false assumptions that they will quickly produce tangible improvements.

The Nature of Change

Change has always been with us. A glance at the history of humankind will indicate that we have always lived with change. The progression of man from the "stone age" to the present "information age" proclaims the fact that we have lived with change from our beginning and will continue to do so. Darwin's theory of natural selection reinforces this point by suggesting that species need to change and adapt to the changing environment if they are to survive and progress (Pugh and Hickson 1989; Stewart 1991).

Webster's dictionary (1989) defines the term "change" from two perspectives: transformation and act. Transformation occurs when something becomes different in some particular way from its previous state; act is the process of alteration from one position to another. In academic literature the many complex categories and degrees of change cloud the consideration of change.

Change may be conceived of as the process of moving from one state or condition to a different state or condition. In individuals change occurs when in processing new data they perceive a more expedient course of action. In an organization, a modification of one of its technological, administrative, support, and human subsystems frequently will initiate change.

The contemporary management gurus (consultants recognized by the more successful corporations as having new and innovative ideas for successful management) have several concepts in common which recognize the need for change and new ways of doing business (Byrne 1992). Their approaches include the creation of learning organizations, process re-engineering, sound organizational architecture, and time-based competition. They all proclaim the need for massive organizational change in structure and transactional processes. Their gauge of effectiveness is based on the fulfillment of the shifting global environmental needs which demand incessant cre-

ativity and change. In general, the phenomenon of change may be summarized by the following concepts.

Change is a natural phenomenon. Change is continuous and on-going. The purpose of change is to aid survival and growth. Survival and growth depend on adaptation to a changing environment. The environment can be influenced and shaped by the actions and decisions of the organization. Learning from experience is essential for successful adaptation and change. Individuals change in both common and unique directions (Stewart 1991, 23).

INDIVIDUAL CHANGE

Individuals behave in a way that appears to be most advantageous to them. They act in relation to their private world which interprets uniquely one's environment and determines what is appropriate for him or her (Rogers 1965). Individuals logically resist change if they do not perceive that it will improve their condition or situation. Individual perceptions usually tend to be typical and habitual and if they are to be changed, require some form of force.

If we accept the assumption that each person lives in his or her private world, the concept of communication becomes very important in understanding change. Communication is the means of interaction among individuals which allows explanation, understanding and accomplishment of what is required in a given situation. The lack of clear communication in an organization precludes the development of individual and organizational objectives. Besides having problems in understanding each other, people also have difficulties in empathizing with others and refraining from making judgments as to whether the other person is right or wrong (Gardner 1967).

All people are subject to change. The process of the life cycle itself insures that everyone undergoes a physical change. Intellectual and emotional changes are also part of peoples lives and are shaped by social and environmental influences. People are borne with certain capacities and characteristics which are changed and molded by the environment in which they live.

ORGANIZATIONAL CHANGE

Individuals make up organizations and in turn determine organizational activity. It would be very difficult to consider organizational change without understanding the actions, interactions and

motivations of the people that work there. In the study of organizations same assumptions apply as in the study of individuals – organizations need to adapt to changing environments and to learn “the intellectual and emotional” lessons of experience.

The lack of reference points on which to base rational administrative decisions is one of the problems encountered by organizations operating in a turbulent environment. Unfortunately, many managers, reared in the classical management tradition, fail to adopt innovative approaches demanded by the environment, and approach the decisions as if they understood what they were doing.

When operating in a near incomprehensible, turbulent environment, one can consider several courses of action. The first is to fall back on the matter of values. Values are not strategies or tactics but they can be used as coping mechanisms in dealing with many areas of uncertainty. If they are conducive to the requirements of the emerging environment, they can help the adaptive process. If not, they may precipitate disaster.

The second alternative is the reliance on a constant sensing of the environment. Organizational survival and improvement may be enhanced by organizational practices which include a constant sensing and assessment of the political, social, technological and economical environments for problems and opportunities. These practices allow a proactive relationship with the environment and make it possible the modification of internal structures, practices and norms in ways advantageous to the organization and its members.

Another approach involving organizational survival and improvement is the concept of participative management and internal democratic workplace. This approach develops the notion of ownership in the employees and enlists their energies in fact finding, the diagnoses of need changes, and formulation of reality goal and program testing (Gardner 1973).

Burrell and Morgan (1979) in their analysis of organizational structures present the contingency model for organizational effectiveness in a turbulent and unpredictable environment. They reinforce the concept of organizational change to meet uncertainty.

In explaining the contingency model they offer the hypothesis

that when an organization or an element of an organization is dealing with a turbulent and unpredict-

able environment, the appropriate organization needs:

- a. strategic management which fosters the ability of the organizational unit to learn and respond to the environment by
- b. adopting an operational system complex, high-discretion roles which are:
- c. filled by ‘organization men’ who seek work as their central life interest and attempt to satisfy higher-level psychological needs through their work experience, and
- d. who are managed within the context of an organic form of organization structure by
- d. managers who adopt an open and democratic style of management, and gear their efforts to creating a situation in which it is possible for individuals being managed to satisfy their own personal goals through the achievement of organizational objectives (Burrell and Morgan 1979, 178).

PLANNED CHANGE

Planned change in an organization usually implies a deliberate and optimistic decision to bring about a beneficial change. Normally, it is brought about by external or internal pressures to make an organization more effective. Organizations undertake planned change to “more readily solve problems, to learn from experience, to adapt to changes, and to influence future changes” (Huse 1985, 19).

Planned change requires “things” to become different and some form of measurement to determine that change occurred. In general, planned change in organizations focuses on individual behavior, organizational structure, and technology. From an individual perspective, change deals with factors such as knowledge, skills, interactions, and attitudes. It can also involve improved communications and performance, group and intergroup behavior, leadership and power relations. Structural change might focus on size, policies, procedures, culture and management approaches. Technological change could involve improvements in machinery, increasing the coordination and integration among jobs, and relationship changes between the worker and the task or job.

“OD” (ORGANIZATION DEVELOPMENT)

The term “organization development” or OD is generally considered as being synonymous and interchangeable with “planned change.” However, there is some disagreement among scholars on this issue, with some maintaining the position

that the two terms are distinct and different concepts. Huse (1985) makes no distinction between the two terms and identifies three major models of the planned change approach or OD as the Lewin's change model, the planning model (seven sequential OD activities) and the action research model (cyclical process involving joint activities between organizational members and OD practitioners). French and Bell (1984) recognize 13 families of OD but recognize action research as the one that is more widely used.

Lewin offers two models for change. One for organizations and one for individuals. The organization's model involves the unfreezing of the organization, changing it, and then refreezing it again until more change is needed (Lewin 1948). His individual change or "re-education model" involves three aspects of change: new knowledge, new values, and new (physical) practice (Benne?). According to Lewin, the last one is the one most often ignored in obtaining the desired change in behavior.

The key aspects of the action research model are diagnosis, data gathering, feedback to the client group, data discussion and work by the client group, action planning, and action. The process is a cyclical and may involve several iterations (French and Bell 1984).

Effectiveness of the planned change program normally is measured in the organizations new ability to learn from experience and adapt to change. The ability to learn and change are considered to be the main ingredients which allow the organization to survive, grow and improve.

THE LEARNING ORGANIZATION

If, as discussed, the major problem of our times is learning to live with change, then there is a great need in the society for organizations which have the capability to address and cope with environmental change. This implies that there is a need for the creation of learning organizations which, by definition, are more effective in managing change. The learning organization is capable of sensing the changes in its external environment and implementing any measures necessary for its survival and prosperity. It adopts and engages in a continuous environmental scanning for new requirements to maintain its effectiveness.

The learning organization, in addition to creating conditions for constant self-renewal, allows internal processes which insure employee growth,

self-respect, and self-enhancement. The learning organization can be a vehicle for sharing of skills and abilities in order to achieve both individual and organizational goals.

The "Model II Theory in Use," proposed by Argyris and Schon (Argyris et al. 1985) helps to understand the concept of organizational learning. From managerial viewpoint Model II calls for input to problem solutions from all who are competent and attempts to eliminate defensive routines on the part of the managers thus allowing for "double-loop learning." The norms involved in the model are: (1) action based on valid information and disclosure of its source, (2) action based on joint input from all competent and involved organizational members, and (3) internal commitment to the choice and constant monitoring of its implementation and preparedness to change.

THE "OD" PROCESS

Organization development in an ideal sense of the term is a top-management-supported, long-range effort to improve an organization's problem-solving and renewal processes. It seeks to bring about a more effective and collaborative diagnosis and management of organization culture emphasizing collaborative diagnosis and management of organization culture, and intergroup culture employing the assistance of a consultant-facilitator and the use of the theory and technology of applied behavioral science, including action research (French and Bell 19984).

top-management-supported: For the OD process to be effective, it requires not only silent approval from the leaders of the organization but their general direction and support for the effort.

problem-solving process: This involves the diagnosis of how the organization goes about making decisions regarding the opportunities and challenges of its environment. It tries to involve and use all the resources, vitality, and intellect of all its members in problem solutions.

renewal processes: Here the process attempts to integrate into organizational activities those conditions which encourage individual motivation, development, and fulfillment. It strives to avoid organizational decline by maintaining vitality, creativity and innovation in its vision and operations.

organization culture: Here we mean the prevailing patterns of values, attitudes, beliefs, assumptions, expectations, activities interactions, and norms which shape or determine the way things are done within an organization.

collaborative diagnosis and management of organization culture: This refers to an internal sets of values, norms, and beliefs which are shared throughout the organization by its members, management and employees, but not imposed from the top.

consultant-facilitator: This individual, sometimes called a change agent or catalyst, is normally a third party who is not a part of the organizational culture and not a member of the organization. This individual normally acts more as a coach than as a moderator.

action research: Is the basic approach used in most organization development activities. It has three main phases which consist of data collection, feedback of the data to the organization's members and action planning. Action research is both an approach to problem solving (a model) and a problem solving process (a series of activities and events.) The model involves the following steps: 1) diagnosis, 2) data gathering, 3) feedback to the client group, 4) data discussion and work by the participants, 5) action planning, and 6) action.

ACTION TRAINING AND RESEARCH

Action Training and Research, a modification of the action research model, is one approach well suited for bringing about planned organizational change. Its chief proponent and one of its designers, the late Neely Gardner, considered it as the most effective process for creating learning organizations. The value of the model is in its participatory dimension. The process is based on the assumption that in a free society change can take place more readily if those affected were to participate in the process. The principals of the participate process ease the transition and acceptance of new ideas and programs. It provides an understanding, in employees' terms, of their roles and relationships in the new scheme of things (Gardner, 1973).

The action training and research process commits those affected by a policy or a program to determine the required outcome and take responsibility for its success. Standards and strategy, therefore, are always established as an integral part of the process. This dynamic methodology assures evaluation of every action which in turn prescribes new action. It is an open ended process, steered by a continuous organizational needs analysis.

The action training and research approach in-

tegrates most of the ideas related to bringing about change in organizations. In the approach, managers share their power with the employees and assume more functions. They became trainers and as such became involved not only in the function of control and coordination but also in the dynamic functions of collaboration and facilitation. The training strategy begins with top managers and continues in sequence to mid-level managers, supervisors and workers. The process produces employee empowerment, greater team work, standards of output and improved overall organizational performance.

KTU MTC AND LOCAL GOVERNMENTS

OD is relatively new to Lithuania. It was introduced there by Doctor Konstantinas Sasnauskas, who is currently an associate professor at Vilnius University of Technology. In 1992 and 1993, he and few other Lithuanian management scholars in cooperation with an American management consultant presented OD programs for several private and public agencies. In 1995, KTU MTC at request of the Kaunas mayor held an OD session with the purpose of goal setting and team building for the Kaunas council and senior members of the city administration. The Session was facilitate by the mayor himself and assisted by the MTC Center Director. Other Cities such as Alytus, Panavezys, and Anyksciai have followed Kaunas in holding goal or strategy setting and team building "OD" sessions. OD, however, has many facets and includes many approaches which focus on different levels of an organization. For example it can address organizational problems such as goal setting, communications, culture, leadership, decision making, conflict management and several others. It can focus its attention on the total organization, groups, teams, and individuals. Some of its methods may consist of training, process consultation, data feedback, problem-solving, plan making, and technological activity.

"OD" SESSION'S ACTIVITIES CURRENTLY PRACTICED BY KTU MTC

The "OD" process that is currently used by Dr. Ricardas Malkevicius as a facilitator in the city council and administration sessions is the goal setting and modified team building approaches. The participants in the sessions are the mayor,

members of the city council, the city administrator and his department and section heads, the facilitator and a recorder.

The "OD" technique used by Dr. Malkevicius are generic problem solving techniques. The problems addressed by the session are the establishment of the city's goals and their prioritization. An additional benefit of team building is realized by the session, although, the main two topics are goal setting and their priorities. The session brings together individuals who establish the city's policy and those who implement it. In some cases relative strangers are brought together to meet, hear and provide input to the process which impacts on or drives the government's activities.

The steps followed by the session include: getting acquainted, establishing the purpose and outcomes of the session, statement or enumeration of the city's problems and their definition, formulation of the problem statement and its recording, voting on the importance of the recorded problem and assigning a numerical value to the problem, redefining the problem statement and if redundant or similar to others combining or reformulating it. This is followed by an establishment of the importance of the problem and the city's ability to solve it. The next step is the arrangement of the problems in order of importance and the department or committee in whose domain they pertain.

The session is moderated by the "OD" facilitator who also guides the recorder in the formulation of the problem or issue statements. An issue is a change in the environment in which one may be a stakeholder. A developing issue may bring one problems and opportunities or both. Issues are explored with an intent of discovery of where the dangers or opportunities may exist. The problems and opportunities are then articulated and prioritized by the participants in order to develop a possible courses of action. This exploration of problems and issues assures the participants that they are selecting the correct problems and opportunities to address the changes in their environment.

During the session criticism or attack of ideas expressed is not permitted. Everyone's statements or ideas are respected and considered. The priorities and other disagreements are established or resolved by vote. The end product of the session is a list defining the problems or issues which are important to the city, the priority of the importance and who in the city council and or administrative agencies will address them

in terms of concrete action steps and budget.

This first "OD" session should be followed by additional sessions to insure that activities to solve the problems and the establish goals are addressed and acted upon. The team building activity is accomplished through the session's participants' interaction and its steps which define "where the city is" and "where it wants to be." The separate steps of the session which involve the participants in the problem or issue diagnosis, setting of priorities, assignment of activities, understanding of the city's organization, and the values of the city leaders and functionaries lead to organizational improvement through understanding and communications.

CONCLUSION

Organizations may be regarded as instrumental arrangements constructed by the society to achieve its objectives. In this view, society's quality of life is largely ordained by its organizations which provide it the capability to address and cope with the critical social and environmental problems. The rate and speed of change in the global environment and the complexity of the problems associated with the change present us with the need for organizations that can appropriately respond to these problems. Many of our current organizations, having been designed to serve a highly centralized command system are structured in a way that prevents them from effectively solving problems in a fast changing and turbulent environment.

To be effective in today's environment our organizations need to become learning and changing organizations. It is hoped that the ideas in regards to organizational change and effectiveness presented in the paper allow for a better understanding of the concepts and processes and may help in the current organization development and design undertakings in Lithuania.

REFERENCES

- Argyris, Chris, Robert Putnam and Diana Smith. 1990. *Action Science*. San Francisco: Jossey-Bass Publishers.
- Benne, Kenneth D. The Process of Re-education: An Assessment of Kurt Lewin's Views. *The Planning of Change*. Third Edition. Editors Bennis, W.G., K.D. Benne, R. Chin, and K.E. Corey. New York: Holt, Rinehart and Winston.
- Bennis, Warren G. 1966. *Changing Organizations*. New York: McGraw Hill Book Co.

- Burrell, Gibson and Gareth Morgan. 1979. *Sociological Paradigms and Organizational Analysis*. Portsmouth, NH: Heinmann.
- Byrne, John A. 1992. Management's New Gurus. *Business Week* (August 31): 44-51.
- French, Wendell L. and Cecil H. Bell, Jr. 1984. *Organizational Development*. Englewood Cliffs, NJ: Prentice-Hall, Inc.
- Gardner, Neely D. 1973. Implementation: The Process of Change. Presented at "Conference on Court Studies," Denver, Colorado, May 9.
- _____. 1974. Action Training and Research: Something Old and Something New. *Public Administration Review* (March): 106-15.
- _____. 1976. The Non-Hierarchical Organization of the Future: Theory vs. Reality. *Public Administration Review* 36 (September/October): 591-8 .
- Huse, Edgar F. 1985. *Organization Development and Change*. St. Paul: West Publishing Company.
- Lewin, Kurt. 1948. *Field Theory in Social Sciences*. New York: Harper and Row.
- Morgan, Gareth. 1986. *Images of Organization*. Newbury Park, CA: Sage Publications.
- Pugh, Derek S. and David J. Hickson. 1989. *Writers on Organizations*. Newbury Park, CA: Sage Publications.
- Rogers, Carl R. 1965. *Client Centered Therapy*. New York: Houghton-Mifflin Company.
- Steward Jim. 1991. *Managing Change Through Training and Development*. San Diego: Pfeiffer and Company.