

## **New approaches to organisation development**

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### A brief history of OD

After the initial post-war economic recovery (mid-1950s), employees began to make demands on their employers to provide better – ie safer and more humane – places of work. Among employees, this fuelled a boom in membership of trades unions and organised labour generally. Among employers, the response was mixed. Some sought to confront these demands. Others endeavoured to address them while still striving to deliver good business performance.

Within large organisations, to varying degrees, insightful leaders recognised that providing good working conditions led to more motivated staff and prompted better performance. In the 1960s and 1970s, there was a growth in the number of people employed as specialists in 'organisation development'.

As the formal study of psychology had evolved, largely from the 1890s onwards, there had already been a growth in the study of the behaviour of people at work, and experiments in enhancing performance. These did not have the underlying expectation of creating a better place to work, merely one that was more efficient. The classic example of this kind of work was that of Taylor in the early 1900s, who spawned the field of 'scientific' management and whose work is still copied today even though it was seriously discredited even in his own day!

The scientific basis of the human dimension of organisational change is known today as 'organisational behaviour'.

In the 1970s, most OD initiatives were quite unique. Each company approached the issue of using an enhanced workplace to drive performance differently. Still benefiting from the US investment in its economic recovery, and having experienced a more radical change in society than other countries, Japan especially embraced these ideas. We saw the phrase “Made in Japan” shift from being a sign of shoddy quality to one of exceptional quality in the space of less than 20 years.

In the West, we began to see the emergence of generic processes, often proposed by firms of management consultants. In the manufacturing world, these often focused on quality improvement, while in the service sectors the key phrase was 'customer satisfaction'.

Many of these models sought to bring together improvements in manufacturing and service technologies, with a driver of customer satisfaction, and delivered through employee involvement. It was out of this cauldron that emerged the theme of “Total Quality”. Sadly, many firms missed the point about the integration of these ideas and pursued one or other strand to the exclusion of others. Thus BS5750 (or ISO 9000 as it became) was widely applied, yet it was implemented in an enforced manner without improving manufacturing systems. Alternatively, statistical process control (SPC) was used without engaging the minds of the employees responsible for the processes being measured and so on.

Ronald Reagan made a speech in the early 1980s in which he called on the US to embrace a culture of Excellence. He was primarily referring to education, but his words were heard by business leaders too. Coincidentally, at the same time, Tom Peters and Bob Waterman, published a book “In Search of Excellence” in which they profiled many US enterprises according to different performance criteria. There was an overnight clamour to understand how firms could get the benefit of this 'excellence' and Peters and Waterman became overnight celebrities on the speaking

circuits. Peters and Austin wrote a follow-up book, “A passion for Excellence”, which very successfully balanced the themes and remains an international best-seller today. Their 'model' spoke of;

Customer obsession – a total focus on delivering what the customer wants.

Employee engagement – not merely lip-service, but wholehearted engagement of employees in the delivery of their organisation's goods and services.

Transformed leadership – recognising that it is crucial for managers to understand how they can encourage and motivate their employees in the process.

Unbridled innovation – a highly experimental culture, where staff were encouraged to try all that they could to enhance customer satisfaction and product quality.

Throughout the 1980s and most of the 1990s, these ideas persisted. They had ups and downs in popularity with the wavering economic circumstances of the day – it's a sign of true commitment to stick to them during periods of serious economic recession, for example. But meanwhile, the world in which organisations operated was changing and so too was the workforce.

### The model of organisations in the past

In a nutshell, commercial enterprises until the 1970s were still largely hierarchical. They assumed that workers did what their 'bosses' told them. This, in turn, assumed that progressively more senior members of staff knew what was right and could communicate it effectively.

It assumed that workers had less education, were less interested in their industry, and were less capable of analytical thinking.

Clearly this was a changing platform within society. After the second world war, education had progressively opened up to children from less wealthy backgrounds, and their parents had greater aspirations for them too. In the 70s and 80s, there was a boom in what was known as “FIFTHE”s – First In the Family To Higher Education, and universities saw a boom in attendance.

Perhaps the turning point in the relationship between workers and their employers was seen around the riots in 1984. UK miners told by the industry (which was effectively government controlled) that the pits were no longer economically viable in a process of evaluation that didn't take into account social impacts, challenged the view. Whatever your politics, it isn't realistically possible to deny that the conflicts of that time were heavily politicised from both sides. What we now see is that some of those pits have reopened using new technologies to exploit resources that we had been told were exhausted.

In the 1990s, even mainstream publications produced comparison tables of workforce engagement – in the US, Fortune published its “Great Places to Work” lists and, in the UK, the Sunday Times has a similar model.

### The new enterprise

Technological change has driven many social revolutions throughout history. The internet story is still quite young and yet it is already disputed. We know that communications experiments conducted in 1969, picked up by Californian students in the 1970s, and promoted more widely in parallel with the growth in telephone technologies, building on early academic and special interest user groups, led to the world wide web that we have today.

The interest of the public in these was further escalated by social media tools (Facebook being one

of the more recent).

The upshot of all this social change, improved education, greater understanding and expectation of involvement, combined with the ready availability of technical knowledge, access to expertise, and the tools to disseminate it, has fundamentally shifted the way in which organisations are operating.

Today's workforce is intelligent, educated and very capable of analysis. They expect to be kept informed and have the tools to find out more about their own industry and organisation than ever before. They can spot dis-information easily. They also socialise far more with their peers – whereas this was largely a characteristic of the working class in the first half of the 20<sup>th</sup> century, today workers from all kinds of organisations and all kinds of social backgrounds routinely socialise with one another today. They communicate, not occasionally but frequently – even every few minutes and hours – and they are used to building trusting relationships with one another far more readily than their parents' generation did.

### The impact of evolving organisations on the design of OD interventions

In the past, OD interventions were based on what the organisation's leaders thought was right, were cascaded down through the hierarchy, with control over information, and limited (and again controlled) involvement of employees.

Let's not kid ourselves – this is still largely the case – however it is changing. This has significant impacts on styles of leadership, the nature of motivation, how the workplace is organised, what the rules of conduct are at work (few IT policies even from the early 2000s would still stand today).

Our OD interventions today, have largely to be driven by information and its communication. Proposals for change have to be developed among empowered staff and may not, even, reach management ears before they have begun to be implemented. Leaders have to realise that their power is based on their ability to interact, to champion others, ironically to be seen to be a follower in many situations. While employees have to be encouraged to express views and ideas, the social constraints that used to apply no longer do, so we expect to see more and more organisations encouraging the emotional development of their staff – enabling them to self-regulate their own interventions – making them more socially sensitive rather than confrontational.

### Conclusion

This is a whistle-stop view of a changing world. It is no longer possible to be prescriptive of what will work and what won't. Indeed, the desire to be fed such things is an indication of the need to relax our needs for control. Instead, we have to be prepared to immerse ourselves in understanding ourselves, separating out our own needs and their unconscious expression in what we seek to do and believe, and working collaboratively with equally enlightened peers. This is a story that has yet to have its conclusion written!

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