Organization Development and Change

Organization Transformation

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Learning Objectives for Chapter Twenty

- To explore a framework that categorizes different types of organizational change efforts with emphasis on the features of transformational change

- To present three large-scale organizational change interventions: culture change, self-design, and organization learning and knowledge management

Characteristics of Transformational Change

- Triggered by Environmental and Internal Disruptions

- Systemic and Revolutionary Change

- New Organizing Paradigm

- Driven by Senior Executives and Line Management
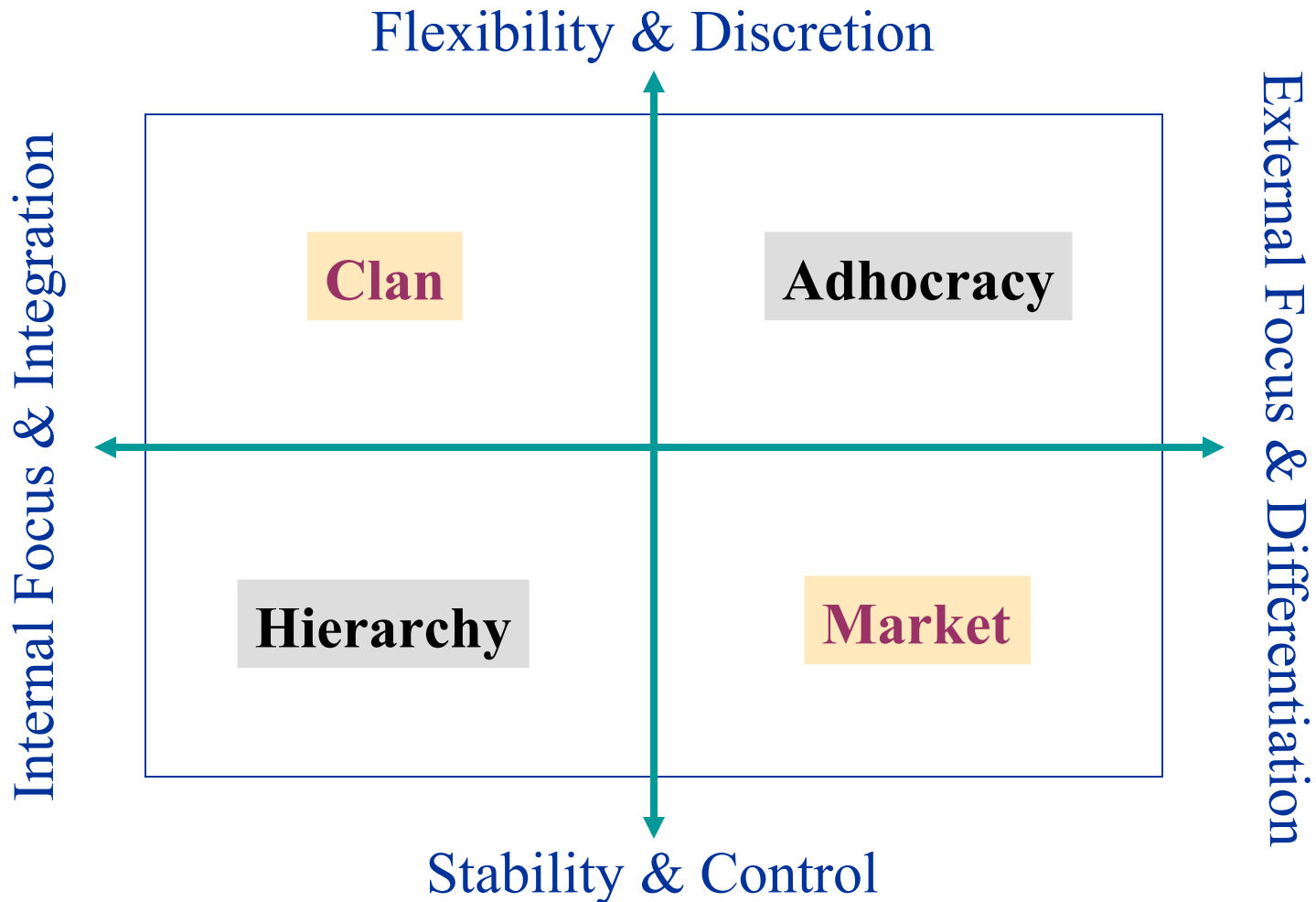
- Continuous Learning and Change

The Concept of Organization Culture

Concentric circles showing, from outer to inner: Artifacts, Norms, Values, Basic Assumptions
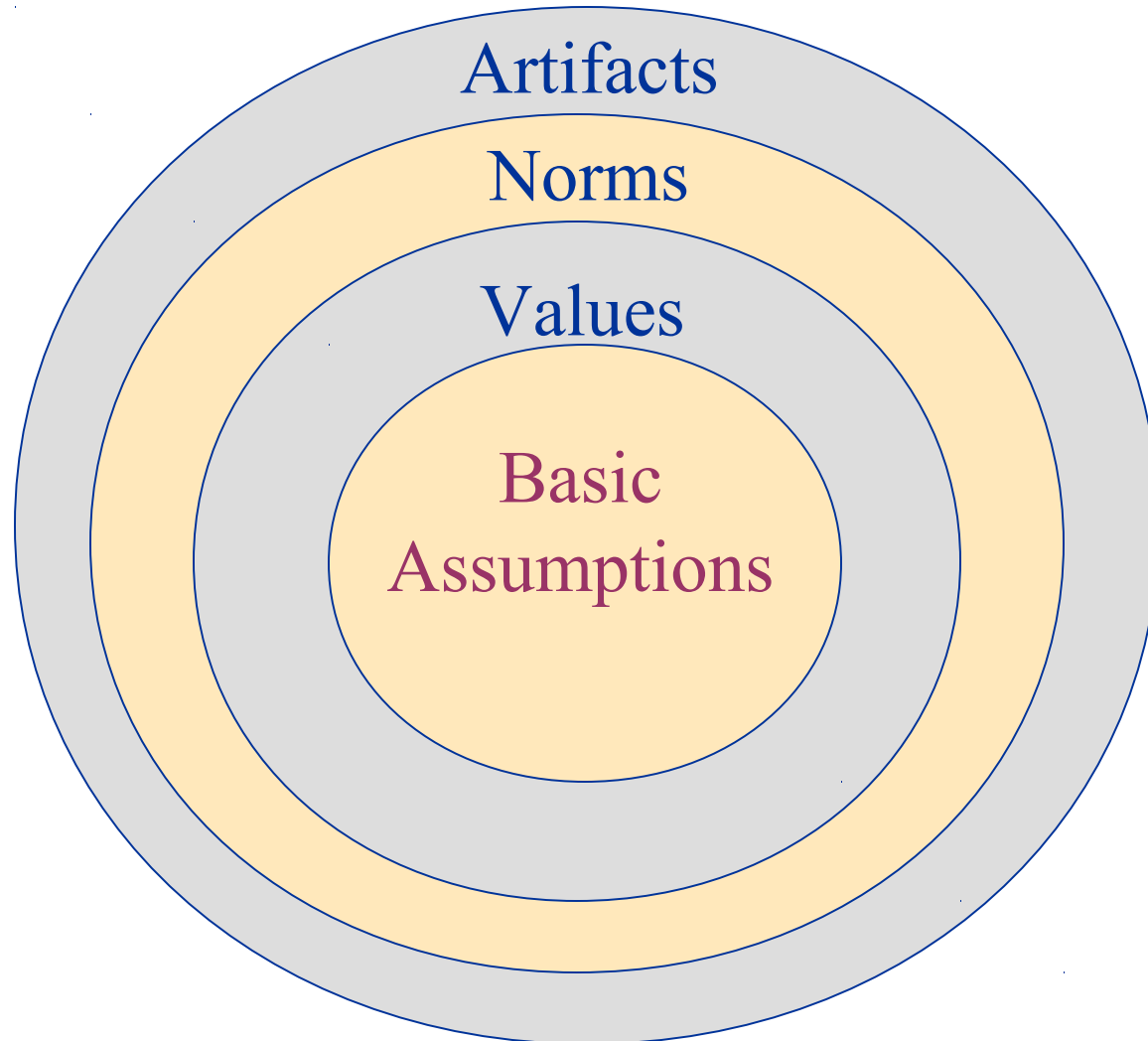
Diagnosing Organization Culture

- Behavioral Approach
  - Pattern of behaviors (artifacts) most related to performance

- Competing Values Approach
  - Pattern of values emphasis characterizing the organization

- Deep Assumptions Approach
  - Pattern of unexamined assumptions that solve internal integration and external adaptation problems well enough to be taught to others

Competing Values Approach

Flexibility & Discretion

Internal Focus & Integration

External Focus & Differentiation

Clan

Adhocracy

Hierarchy

Market

Stability & Control

Culture Change Application Stages

- Establish a clear strategic vision

- Get top-management commitment

- Model culture change at the highest level

- Modify the organization to support change

- Select and socialize newcomers; downsize deviants

- Develop ethical and legal issues

Self-Designing Organizations

- Systemic change process altering most features of the organization

- Process is ongoing, never finished—continuous improvement and change

- Learning as You Go—on-site innovation

- Need support of multiple stakeholders

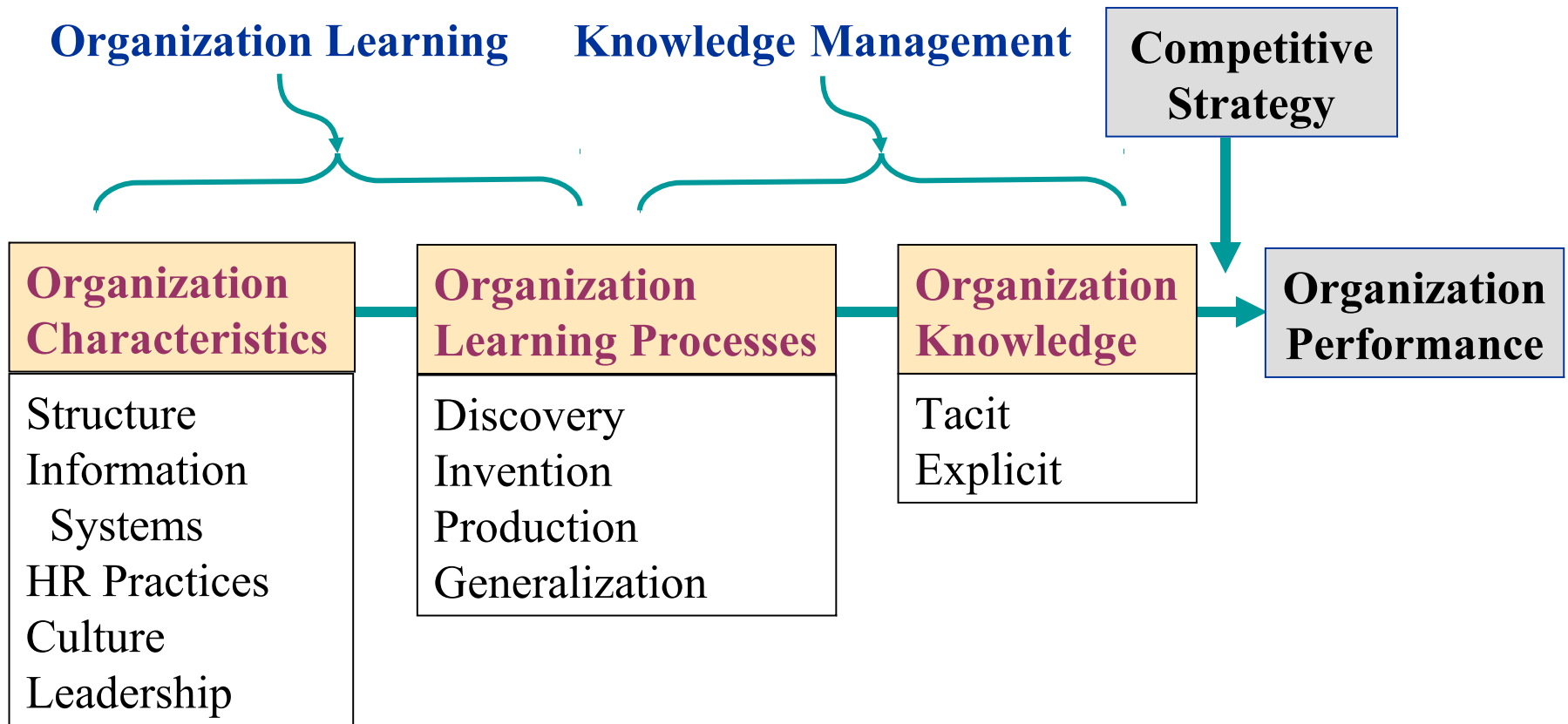- All levels of the organization adopt new strategies and change behaviors

The Self-Design Strategy
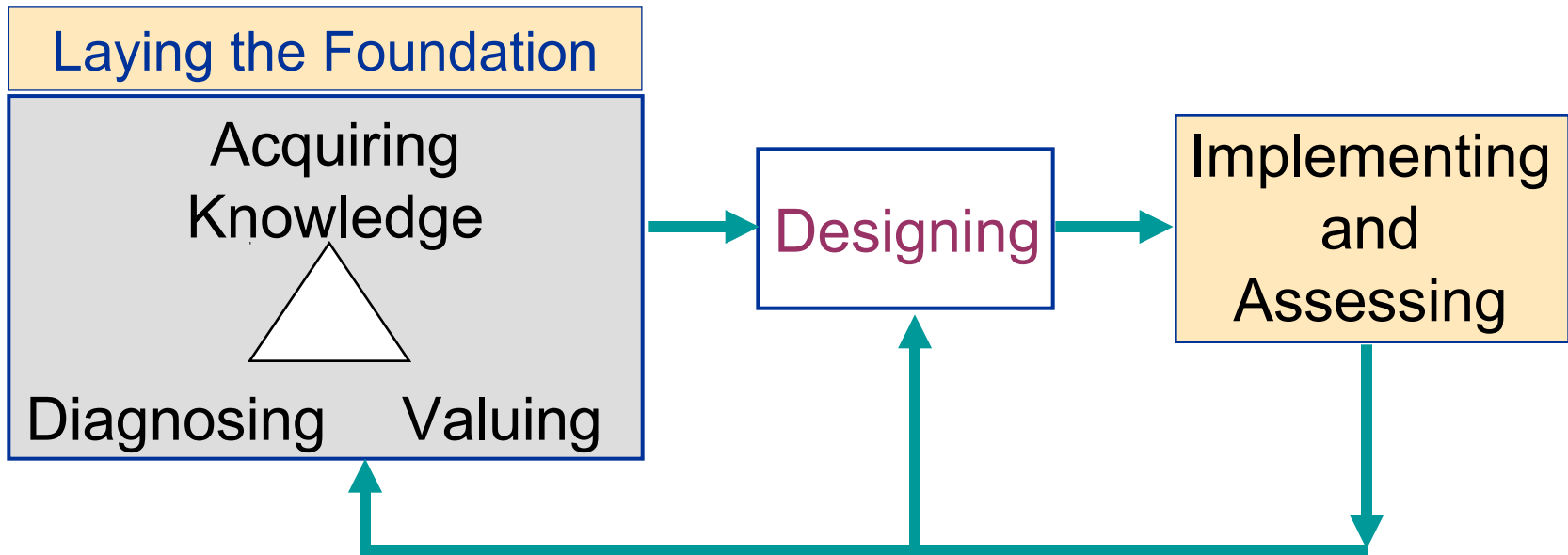
Organization Learning & Knowledge Management

- *Organization Learning* interventions emphasize the structures and social processes that enable employees and teams to learn and share knowledge

- *Knowledge Learning* focuses on the tools and techniques that enable organizations to collect, organize, and translate information into useful knowledge

Organization Learning: An Integrative Framework

Organization Learning   **Knowledge Management**   **Competitive Strategy**

Organization Characteristics	**Organization Learning Processes**	**Organization Knowledge**	**Organization Performance**
Structure Information Systems HR Practices Culture Leadership	Discovery Invention Production Generalization	Tacit Explicit	

Characteristics of a Learning Organization

- *Structures* emphasize teamwork, information sharing, empowerment

- *Information systems* facilitate rapid acquisition and sharing of complex information to manage knowledge for competitive advantage

- *Human resources* reinforce new skills and knowledge

- *Organization culture* encourages innovation

- *Leaders* model openness and freedom to try new things while communicating a compelling vision

Organization Learning Processes

- Single loop learning
  - Most common form of learning
  - Aimed at adapting and improving the status quo

- Double loop learning
  - Generative learning
  - Questions and changes existing assumptions and conditions

- Deuterolearning
  - Learning how to learn
  - Learning how to improve single and double loop learning

Discover Theories in Use

- Dialogue
- Left-Hand, Right-Hand Column
- Action Maps
- The Ladder of Inference

The Ladder of Inference
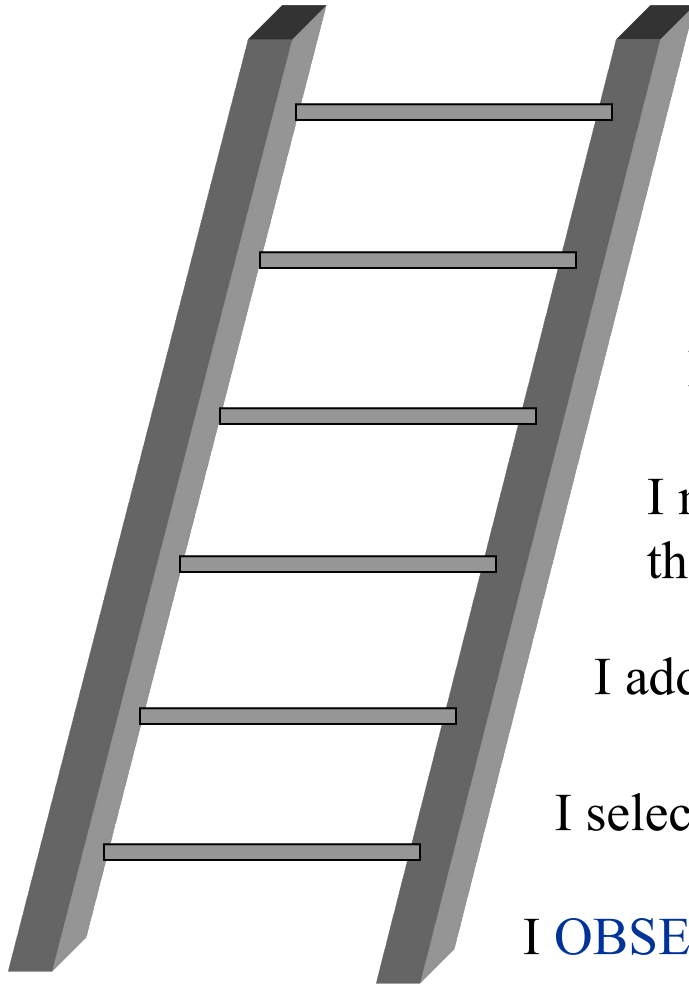
I take ACTIONS based on my beliefs

I adopt BELIEFS about the world

I draw CONCLUSIONS

I make ASSUMPTIONS based on the meanings added

I add MEANINGS (cultural and personal)

I select DATA from what I observe

I OBSERVE data and experiences

Organization Knowledge

- Generating Knowledge
  - Identify knowledge for competitive strategy
  - Develop ways to acquire or create that knowledge

- Organizing Knowledge
  - Put knowledge into a usable form
  - Codification and Personalization

- Distributing Knowledge
  - Making knowledge easy to access, use & reuse