dandelon.com
© 2008 AGI-Information Management Consultants
May be used for personal purposes only or by
libraries associated to dandelon.com network.

Organization Development and Change

EIGHTH EDITION

Thomas G. Cummings

University of Southern California

Christopher G.Worley

Pepperdine University

THOMSON
SOUTH-WESTERN

Australia • Canada • Mexico • Singapore • Spain
United Kingdom • United states

Contents

Preface xvi

CHAPTER 1 General Introduction to Organization Development 1

Organization Development Defined 1

The Growth and Relevance of Organization Development 4

A Short History of Organization Development 6

- Laboratory Training Background 7
- Action Research and Survey Feedback Background 8
- Normative Background 9
- Productivity and Quality-of-Work-Life Background 10
- Strategic Change Background 12

Evolution in Organization Development 12

Overview of the Book 14

Summary 17

Notes 17

Part 1
OVERVIEW OF ORGANIZATION DEVELOPMENT 21

CHAPTER 2 The Nature of Planned Change 22

Theories of Planned Change 22

- Lewin's Change Model 22
- Action Research Model 24
- The Positive Model 26
- Comparisons of Change Models 28

General Model of Planned Change 28

- Entering and Contracting 28
- Diagnosing 29
- Planning and Implementing Change 29
- Evaluating and Institutionalizing Change 30

Different Types of Planned Change 30

- Magnitude of Change 30

Application 2-1 Planned Change at the San Diego County Regional Airport Authority 31

- Degree of Organization 34
- Domestic vs. International Settings 35

Application 2-2 Planned Change in an Unorganized System 36

Critique of Planned Change 39

- Conceptualization of Planned Change 39
- Practice of Planned Change 40

Summary 41

Notes 41

CHAPTER 3 The Organization Development Practitioner 44

Who Is the Organization Development Practitioner? 44

Competencies of an Effective Organization Development Practitioner 46

The Professional Organization Development Practitioner 50

- Role of Organization Development Professionals 50

Application 3-1 Personal Views of the Internal and External Consulting Positions 53

- Careers of Organization Development Professionals 56

Professional Values 57

Professional Ethics 58

- Ethical Guidelines 58
- Ethical Dilemmas 58

Appfication 3-2 Kindred Todd and the Ethics of OD 62

Summary 63

Notes 64

Appendix Ethical Guidelines for an Organization Development/Human Systems Development (OD/HSD) Professional 66

Part 2
THE PROCESS OF ORGANIZATION DEVELOPMENT 71

CHAPTER 4 Entering and Contracting 72

Entering into an OD Relationship 73

- Clarifying the Organizational Issue 73
- Determining the Relevant Client 73
- Selecting an OD Practitioner 74

Developing a Contract 76

- Mutual Expectations 76
- Time and Resources 76

Application 4-1 Entering American Healthways Corporation 77

- Ground Rules 78

Personal Process Issues in Entering and Contracting 78

Application 4-2 Contracting at American Healthways Corporation 79
Summary 81
Notes 82

CHAPTER 5 Diagnosing Organizations 83
What Is Diagnosis? 83
The Need for Diagnostic Models 84
Open-Systems Model 85
Organizations as Open Systems 85
Inputs, Transformations, and Outputs 86
Boundaries 87
Feedback 87
Equifinality 87
Alignment 88
Diagnosing Organizational Systems 88
Organization-Level Diagnosis 89
Inputs 90
Design Components 91
Outputs 93
Alignment 93
Analysis 93
Application 5-1 Steinway's Strategic Orientation 94
Summary 98
Notes 99

CHAPTER 6 Diagnosing Groups and Jobs 100
Group-Level Diagnosis 100
Inputs 100
Design Components 101
Outputs 102
Fits 103
Analysis 103
Application 6-1 Top Management Team at Ortiv Glass Corporation 104
Individual-Level Diagnosis 106
Inputs 106
Design Components 107
Fits 108
Analysis 108
Application 6-2 Job Design at Pepperdirte University 109
Summary 112
Notes 112

CHAPTER 7 Collecting and Analyzing Diagnostic Information 114
The Diagnostic Relationship 114
Methods for Collecting Data 116
Questionnaires 117
Interviews 119
Observations 120
Unobtrusive Measures 121
Sampling 122
Techniques for Analyzing Data 123
Qualitative Tools 123
Application 7-1 Collecting and Analyzing Diagnostic Data at American Healthways 124
Quantitative Tools 126
Summary 130
Notes 130

CHAPTER 8 Feeding Back Diagnostic Information 132
Determining the Content of the Feedback 132
Characteristics of the Feedback Process 134
Survey Feedback 135
What Are the Steps? 135
Application 8-1 Training OD Practitioners in Data Feedback 136
Survey Feedback and Organizational Dependencies 138
Limitations of Survey Feedback 138
Application 8-2 Operations Review and Survey Feedback at Prudential Real Estate Affiliates 139
Results of Survey Feedback 140
Summary 141
Notes 141

CHAPTER 9 Designing Interventions 143
What Are Effective Interventions? 143
How to Design Effective Interventions 144
Contingencies Related to the Change Situation 144
Contingencies Related to the Target of Change 145
Overview of Interventions 149
Human Process Interventions 149
Technostructural Interventions 150
Human Resource Management Interventions 151
Strategic Interventions 152
Summary 153
Notes 153

CHAPTER 10 Leading and Managing Change 155
Overview of Change Activities 155
Motivating Change 157
Creating Readiness for Change 157
Overcoming Resistance to Change 158
Application 10-1 Motivating Change at Johnsonville Sausage 160
Creating a Vision 160
Describing the Core Ideology 161
Constructing the Envisioned Future 162

DeveJoping Political Support 163
Application 10-2 Creating a Vision at Premiere 164
Assessing Change Agent Power 166
Identifying Key Stakeholders 166
Influencing Stakeholders 167
Managing the Transition 168
Activity Planning 168
Commitment Planning 168
Application 10-3 Using Social Networks to Implement Change in a Public Education Institution 169
Change-Management Struciures 169
Sustaining Momentum 170
Providing Resources for Change 170
Building a Support System for Change Agents 170
Application 10-4 Transition Management in the HP-Compaq Acquisition 171
Developing New Competencies and Skills 172
Reinforcing New Behaviors 172
Staying the Course 173
Application 10-5 Sustaining Transformational Change at the Veterans Health Administration 174
Summary 173
Notes 175

CHAPTER 11 Evaluating and Institutionalizing Organization Development Interventions 178

Evaluating Organization Development Interventions 178
Implementation and Evaluation Feedback 178
Measurement 181
Research Design 186
Institutionalizing Interventions 189
Application *11-1* Evaluating Change and Change Management at the World Bank 190
Institutionalization Framework 192
Application 11-2 Institutionalizing Structural Change ai Hewlett-Packard 197
Summary 198
Notes 199

SELECTED CASES 201

- It's Your Turn 201
- Sunflower Incorporated 203
- Evaluating the Change Agent *Program at* Siemens Nixdorf(A) 205
- Initiating Change in the Manufacturing and Distribution Division of PolyProd 209

HUMAN PROCESS INTERVENTIONS 215

CHAPTER 12 Individual, Interpersonal, and Group Process Approaches 216

Coaching 216
What Are the Goals? 217
Application Stages 217
The Results of Coaching 218
Training and Development 2 f 8
What Are the Goals? 219
Application Stages 219
The Results of Training 220
Process Consultation 220
Application 12-1 Leading Your Business at Microsoft Corporation 221
Group Process 222
Basic Process Interventions 223
Results of Process Consultation 225
Application *12-2 Process Consultation at* Action Company 226
Third-Party Interventions 227
An Episodic Model of Conflict 228
Facilitating the Conflict Resolution Process 229
Team-Building 230
Application 12-3 Conflict Management at Bah Healthcare Systems 231
Team-Building Activities 232
Activities Relevant to One or More Individuals 232
Activities Oriented to the Group's Operation and Behavior 235
Application 12-4 Building the Executive Team at Caesars Tahoe 236
Activities Affecting the Group's Relationship with the Rest of the Organization 237
The Manager's Role in Team Building 237
The Results of Team Building 238
Summary 239
Notes 240

CHAPTER 13 Organization Process Approaches 243

Organization Confrontation Meeting 243
Application Stages 244
Results of Confroniation Meetings 244
Application f 3-1 A Work-Out Meeting at General Electric Medical Systems Business 245

Intergroup Relations Intervention 246
Microcosm Groups 246
Resolving Intergroup Conflict 248
Application f 3-2 Improving Intergroup Relationships in Johnson & Johnson's Drug Evaluation Department 251
Large-Group Interventions 252
Application Stages 254
Application 13-3 The Seventh American Forest Congress 257
Results of Large-Group Interventions 259
Application 13-4 Open-Space Meeting at a Consulting Firm 260
Summary 261
Notes 261

SELECTED CASES 264

- The Metric Division Case 264
- Gulf States Metals, Inc. 269

Part 4
TECHNOSTRUCTURAL ITERVENTIONS 273

CHAPTER 14 Restructuring Organization 274

Structural Design 274
The Functional Structure 274
The Divisional Structure 276
The Matrix Structure 278
The Process Structure 280
The Network Structure 283
Application 14-1 American Healthways' Process Structure 284
Downsizing 287
Application 14-2 Amazon.com's Network Structure 288
Application Stages 290
Results of Downsizing 292
Application 14-3 Strategic Downsizing Process at Delta Air Lines 293
Reengineering 295
Application Stages 297
Results from Reengineering 300
Application 14-4 Honeywell IAC'S Totalplant™ Reengineering Process 301
Summary 302
Notes 303

CHAPTER 15 Employee Involvement 306

Employee Involvement: What Is It? 306
A Working Definition of Employee Involvement 306
The Diffusion of Employee Involvement Practices 307
How Employee Involvement Affects Productivity 308
Employee Involvement Applications 309
Parallel Structures 310
Application 15-1 Union-Management Cooperation at GTE of California 313
High-Involvement Organizations 315
Total Quality Management 318
Application 15-2 Chrysler Corporation Moves Toward High Involvement 319
Application 15-3 Six-Sigma Success Story at GE Financial 325
Summary 328
Notes 328

CHAPTER 16 Work Design 331

The Engineering Approach 331
The Motivational Approach 332
The Core Dimensions of Jobs 333
Individual Differences 3 34
Application Stages 335
Barriers to Job Enrichment 337
Application 16-1 Job Enrichment at the Travelers Insurance Companies 338
Results of Job Enrichment 339
The Sociotechnical Systems Approach 340
Conceptual Background 340
Self-Managed Work Teams 341
Application Stages 345
Results of Self-Managed Teams 347
Application 16-2 Moving to Self-Managed Teams at ABB 348
Designing Work for Technical and Personal Needs 351
Technical Factors 352
Personal-Need Factors 353
Meeting Both Technical and Personal Needs 354
Summary 355
Notes 356

SELECTED CASES 3S9

- The Sullivan Hospital System 359
- City of Carlsbad, California Restructuring the Public Works Department (A) 362

'art 5
IUMAN RESOURCES MANAGE-MENT INTERVENTIONS 365

CHAPTER 17 Performance Management 366

A Model of Performance Management 367

Goal Setting 368

- Characteristics of Goal Setting 368
- Application Stages 370
- Management by Objectives 370
- Effects of Goal Setting and MBO 372

Performance Appraisal 372

Application 17-1 The Performance Enhancement Process at Monsanto 373

- The Performance Appraisal Process 374
- Application Stages 376
- Effects of Performance Appraisal 377

Reward Systems 377

Application f 7-2 Changing the Appraisal Process in the Washington State Patrol 378

- Structural and Motivational Features of Reward Systems 379
- Skill-Based Pay Systems 3S2
- Performance-Based Pay Systems 383
- Gain Sharing Systems 385
- Promotion Systems 3S7

Application 17-3 Revising the Reward System at Lands End 388

- Reward-System Process Issues 390

Summary 391

Notes 392

CHAPTER 18 Developing and Assisting Members 396

Career Planning and Development Interventions 396

- *Career* Stages 397
- Career Planning 398
- Career Development 401

Application 18-1 Linking Career Planning, Human Resources Planning, and Strategy at Colgate-Palmolive 402

Workforce Diversity Interventions 410

- Age 411
- Gender 412
- Race/Ethnicity 413
- Sexual Orientation 414
- Disability 415
- Culture and Values 415

Application 18-2 Embracing Employee Diversity at Baxter Export 417

Employee Stress and Wellness Interventions 418

- Work Leaves 418
- Stress Management Programs 419

Application 18-3 Johnson & Johnson's Health and Wellness Program 427

Summary 428

Notes 429

SELECTED CASES 434

- Employee Benefits at HealthCo 434
- SharpeBMW 438

Part
STRATEGIC CHANGE INTERVENTIONS 445

CHAPTER 19 Competitive and Collaborative Strategies 446

Environmental Framework 447

- Environmental Types 447
- Environmental Dimensions 448

Competitive Strategies 450

- Integrated Strategic Change 451
- Mergers and Acquisitions 454

Application 19-1 Managing Strategic Change at Microsoft Canada 455

Collaborative Strategies 461

Application 19-2 Lessons Learned from the Dow Chemical Company and Union Carbide Merger 462

- Collaboration Rationale 463
- Alliance Interventions 465
- Network Interventions 466

Application 19-3 Fragile and Robust—Network Change in Toyota Motor Corporation 473

Summary 475

Notes 475

CHAPTER 20 Organization Transformation 479

Characteristics of Transformational Change 480

- Change Is Triggered by Environmental and Internal Disruptions 480
- Change Is Systemic and Revolutionary 480
- Change Demands a New Organizing Paradigm 481
- Change Is Driven by Senior Executives and Line Management 481
- Continuous Learning and Change 482

Culture Change 482
Concept oi Organization Culture 483
Organization Culture and Organization Effectiveness 484
Diagnosing Organization Culture 486
Application Stages 4S9
Application 20-1 Washington Mutual: Leveraging Culture as Competitive Advantage 492
Self-Designing Organizations 493
The Demands of Transformational Change 493
Application Stages 494
Application 20-2 Self-Design at American Healthways Corporation 496
Organization Learning and Knowledge Management 497
Conceptual Framework 497
Characteristics of a Learning Organization 499
Organization Learning Processes 500
Organization Knowledge 505
Application 20-3 Knowledge Management at BP Amoco 508
Outcomes of OL and KM. 508
Summary 509
Notes 510

SELECTED CASES 514

- Rondell Data Corporation 514
- Fourwinds Marina 523

Eart.Z.
SPECIAL APPLICATIONS OF ORGANIZATION DEVELOPMENT 533

Chapter 21 Organization Development in Global Settings 534

Organization Development Outside the United States 535
Cultural *Context* 536
Economic Development 538
How Cultural Context and Economic Development Affect OD Practice 539
Application 21-1 Modernizing China's Human Resource Development and Training Functions 544
Worldwide Organization Development 545
Worldwide Strategic Orientations 546
The International Strategic Orientation 548
The Global Strategic Orientation 549
The Multinational Strategic Orientation 551
The Transnational Strategic Orientation 553
Application 21-2 Campbell Soup Company Moves to a Worldwide Strategic Orientation 554
Global Social Change 558
Global Social Change Organizations 558
Application Stages 560
Change Agent Roles and Skills 563
* Application 21-3 Social and Environmental Change at Floresta 564
Summary 566
Notes 566

CHAPTER 22 Organization Development in Non-industrial Settings: Health Care, Family Businesses, School Systems, and the Public *Sector* 571

Organization Development in Health Care 571
Environmental Trends in Health Care 572
Opportunities for Organization Development Practice 575
Success Principles for OD in Health Care 576
Application 22-1 Work Redesign at Hamot Medical Center 577
Conclusions 579
Organization Development in Family-Owned Businesses 579
The Family Business System 580
Critical Issues in Family Business 582
OD Interventions in Family Business System 584
Application 22-2 OD in the Ross Family Business 588
Organization Development in School Systems 589
Some Unique Characteristics of Schools 590
Indications for OD in Schools 591
High Involvement Management in Schools 592
Total Quality Management 593
School-based Management 594
Classroom Interventions 594
Conclusions 595
Organization Development in the Public Sector 596
Comparing Public- and Private-Sector Organizations **597**
Recent Research and Innovations in Public Sector Organizational Development 602
Conclusions 603
Application 22-3 Approaching Employee Orientation as a Cultural Experience 604
Summary 605
Notes 606

CHAPTER 23 Future Directions in Organization Development 611

Trends Within Organization Development 611
- Traditional 611
- Pragmatic 612
- Scholarly 613
- Implications lor OD's Future 613

Trends in the Context of Organization Development 614
- The Economy 615
- The Workforce 6(7
- Organizations 619
- Implications for OD's Future 620

Summary 625

Notes 625

INTEGRATIVE CASES 629

- B.R. Richardson Timber Products 629
- Managing Strategy at Ceasars Tahoe 646
- Black fr Decker International: Globalization of the Architectural Hardware Line *652*

Glossary 661

Name Index 671

Subject Index 677