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The Nature of Planned Change

The pace of global, economic, and technological development makes change an inevitable feature of organizational life. However, change that happens to an organization can be distinguished from change that is planned by its members. In this book, the term *change* will refer to planned change. Organization development is directed at bringing about planned change to increase an organization's effectiveness. It is generally initiated and implemented by managers, often with the help of an OD practitioner either from inside or outside of the organization. Organizations can use planned change to solve problems, to learn from experience, to reframe shared perceptions, to adapt to external environmental changes, to improve performance, and to influence future changes.

All approaches to OD rely on some theory about planned change. The theories describe the different stages through which planned change may be effected in organizations and explain the temporal process of applying OD methods to help organization members manage change. In this chapter, we first describe and compare three major theories of organization change that have received considerable attention in the field: Lewin's change model, the action research model, and contemporary adaptations of action research. Next we present a general model of planned change that integrates the earlier models and incorporates recent conceptual advances in OD. The general model has broad applicability to many types of planned change efforts and serves to organize the chapters in this book. We then discuss different types of change and how the process can vary depending on the change situation. Finally, we present several critiques of planned change.

THEORIES OF PLANNED CHANGE

Conceptions of planned change have tended to focus on how change can be implemented in organizations.¹ Called "theories of changing," these frameworks describe the activities that must take place to initiate and carry out successful organizational change. In this section, we describe and compare three theories of changing: Lewin's change model, the action research model, and contemporary approaches to change. These frameworks have received widespread attention in OD and serve as the primary basis for a general model of planned change.

Lewin's Change Model

One of the early fundamental models of planned change was provided by Kurt Lewin.² He conceived of change as modification of those forces keeping a system's behavior stable. Specifically, a particular set of behaviors at any moment in time is the result of two groups of forces—those striving to maintain the status quo and those pushing for change. When both sets of forces are about equal, current behaviors are maintained in what Lewin termed a state of "quasi-stationary equilibrium." To change that state, one can increase those forces pushing for change, decrease

those forces maintaining the current state, or apply some combination of both. For example, the level of performance of a work group might be stable because group norms maintaining that level are equivalent to the supervisor's pressures for change to higher levels. This level can be increased either by changing the group norms to support higher levels of performance or by increasing supervisor pressures to produce at higher levels. Lewin suggested that modifying those forces maintaining the status quo produces less tension and resistance than increasing forces for change and consequently is a more effective change strategy.

Lewin viewed this change process as consisting of the following three steps, which are shown in Figure 2.1 (A):

1. **Unfreezing.** This step usually involves reducing those forces maintaining the organization's behavior at its present level. Unfreezing is sometimes accomplished through a process of "psychological disconfirmation." By introducing information that shows discrepancies between behaviors desired by organization members and those behaviors currently exhibited, members can be motivated to engage in change activities.³
2. **Moving.** This step shifts the behavior of the organization, department, or individual to a new level. It involves intervening in the system to develop new behaviors, values, and attitudes through changes in organizational structures and processes.
3. **Refreezing.** This step stabilizes the organization at a new state of equilibrium. It is frequently accomplished through the use of supporting mechanisms that reinforce the new organizational state, such as organizational culture, norms, policies, and structures.

Lewin's model provides a general framework for understanding organizational change. Because the three steps of change are relatively broad, considerable effort has gone into elaborating them. For example, the planning model, developed by Lippitt, Watson, and Westley, arranges Lewin's model into seven steps: scouting, entry, diagnosis (unfreezing), planning, action (movement), stabilization and evaluation, and termination (refreezing).⁴ Lewin's model remains closely identified with the field of OD, however, and is used to illustrate how other types of change can be implemented. For example, Lewin's three-step model has been used to explain how information technologies can be implemented more effectively.⁵

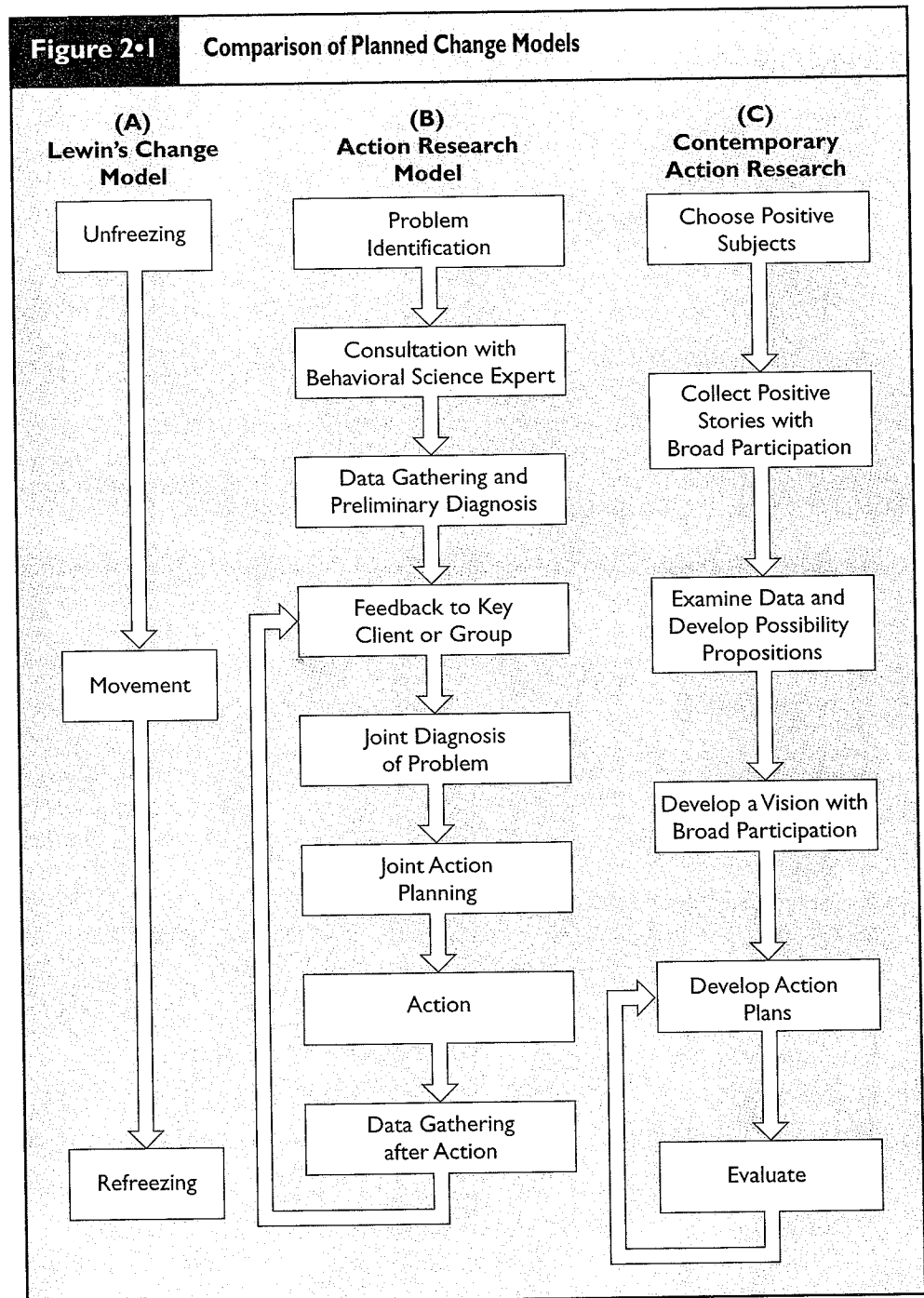
Action Research Model

The action research model focuses on planned change as a cyclical process in which initial research about the organization provides information to guide subsequent action. Then the results of the action are assessed to provide further information to guide further action, and so on. This iterative cycle of research and action involves considerable collaboration among organization members and OD practitioners. It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after action is taken.

Action research is traditionally aimed both at helping specific organizations to implement planned change and at developing more general knowledge that can be applied to other settings.⁶ Although action research was originally developed to have this dual focus on change and knowledge, it has been adapted to OD efforts in which the major emphasis is on planned change.⁷ Figure 2.1 (B) shows the cyclical phases of planned change as defined by the original action research model. There are eight main steps.

1. **Problem identification.** This stage usually begins when a key executive in the organization or someone with power and influence senses that the organization has one or more problems that might be solved with the help of an OD practitioner.
2. **Consultation with a behavioral science expert.** During the initial contact, the OD practitioner and the client carefully assess each other. The practitioner has

Figure 2-1 Comparison of Planned Change Models



his or her own normative, developmental theory or frame of reference and must be conscious of those assumptions and values.⁸ Sharing them with the client from the beginning establishes an open and collaborative atmosphere.

3. **Data gathering and preliminary diagnosis.** This step is usually completed by the OD practitioner, often in conjunction with organization members. It involves gathering appropriate information and analyzing it to determine the underlying causes of organizational problems. The four basic methods of gathering data are interviews, process observation, questionnaires, and organizational performance data (unfortunately, often overlooked). One approach to diagnosis begins with observation, proceeds to a semistructured interview, and concludes with a questionnaire to measure precisely the problems identified by the earlier steps.⁹ When gathering diagnostic information, OD practitioners may influence members from whom they are collecting data. In OD, "every action on the part of the . . . consultant constitutes an intervention" that will have some effect on the organization.¹⁰
4. **Feedback to a key client or group.** Because action research is a collaborative activity, the diagnostic data are fed back to the client, usually in a group or work-team meeting. The feedback step, in which members are given the information gathered by the OD practitioner, helps them determine the strengths and weaknesses of the organization or the department under study. The consultant provides the client with all relevant and useful data. Obviously, the practitioner will protect confidential sources of information and, at times, may even withhold data. Defining what is relevant and useful involves consideration of privacy and ethics as well as judgment about whether the group is ready for the information or if the information would make the client overly defensive.
5. **Joint diagnosis of the problem.** At this point, members discuss the feedback and explore with the OD practitioner whether they want to work on identified problems. A close interrelationship exists among data gathering, feedback, and diagnosis because the consultant summarizes the basic data from the client members and presents the data to them for validation and further diagnosis. An important point to remember, as Schein suggests, is that the action research process is very different from the doctor-patient model, in which the consultant comes in, makes a diagnosis, and prescribes a solution. Schein notes that the failure to establish a common frame of reference in the client-consultant relationship may lead to a faulty diagnosis or to a communications gap whereby the client is sometimes "unwilling to believe the diagnosis or accept the prescription." He believes "most companies have drawers full of reports by consultants, each loaded with diagnoses and recommendations which are either not understood or not accepted by the 'patient.'" ¹¹
6. **Joint action planning.** Next, the OD practitioner and the client members jointly agree on further actions to be taken. This is the beginning of the moving process (described in Lewin's change model), as the organization decides how best to reach a different quasi-stationary equilibrium. At this stage, the specific action to be taken depends on the culture, technology, and environment of the organization; the diagnosis of the problem; and the time and expense of the intervention.
7. **Action.** This stage involves the actual change from one organizational state to another. It may include installing new methods and procedures, reorganizing structures and work designs, and reinforcing new behaviors. Such actions typically cannot be implemented immediately but require a transition period as the organization moves from the present to a desired future state.¹²

8. *Data gathering after action.* Because action research is a cyclical process, data must also be gathered after the action has been taken to measure and determine the effects of the action and to feed the results back to the organization. This, in turn, may lead to rediagnosis and new action.

Contemporary Adaptations of Action Research

The action research model underlies most current approaches to planned change and is often identified with the practice of OD. Recently, action research has been extended to new settings and applications, and consequently researchers and practitioners have made requisite adaptations of its basic framework.¹³ The adaptations are depicted in Figure 2.1(C).

Trends in the application of action research include movement from smaller subunits of organizations to total systems and communities.¹⁴ In those larger contexts, action research is more complex and political than in smaller settings. Therefore, the action research cycle is coordinated across multiple change processes and includes a diversity of stakeholders who have an interest in the organization. (We describe these applications more thoroughly in Chapters 19 and 20.)

Action research also is applied increasingly in international settings, particularly in developing nations in the southern hemisphere.¹⁵ Embedded within the action research model, however, are "northern-hemisphere" assumptions about change. For example, action research traditionally views change more linearly than do Eastern cultures, and it treats the change process more collaboratively than do Latin American and African countries.¹⁶ To achieve success in those settings, action research is tailored to fit cultural assumptions. (See "Different Types of Planned Change" below and Chapter 21.)

Finally, action research is applied increasingly to promote social change and innovation,¹⁷ as demonstrated most clearly in community development and global social change projects.¹⁸ Those applications are heavily value laden and seek to redress imbalances in power and resource allocations across different groups. Action researchers tend to play an activist role in the change process, which is often chaotic and conflictual. (Chapter 21 reviews global social change processes.)

In light of these general trends, action research has undergone two key adaptations. First, contemporary applications have increased substantially the degree of member involvement in the change process. That contrasts with traditional approaches to planned change, whereby consultants carried out most of the change activities, with the agreement and collaboration of management.¹⁹ Although consultant-dominated change still persists in OD, there is a growing tendency to involve organization members in learning about their organization and about how to change it. Referred to as "participatory action research,"²⁰ "action learning,"²¹ "action science,"²² "self-design,"²³ or "appreciative inquiry,"²⁴ this approach to planned change emphasizes the need for organization members to learn firsthand about planned change if they are to gain the knowledge and skills needed to change the organization. In today's complex and changing environment, some argue that OD must go beyond solving particular problems to helping members gain the competence needed to change and improve the organization continually.²⁵

In this modification of action research, the role of OD consultants is to work with members to facilitate the learning process. Both parties are "co-learners" in diagnosing the organization, designing changes, and implementing and assessing them.²⁶ Neither party dominates the change process. Rather, each participant brings unique information and expertise to the situation, and they combine their

resources to learn how to change the organization. Consultants, for example, know how to design diagnostic instruments and OD interventions, and organization members have local knowledge about the organization and how it functions. Each participant learns from the change process. Organization members learn how to change their organization and how to refine and improve it. OD consultants learn how to facilitate complex organizational change and learning.

The second adaptation to action research is the integration of an "interpretive" or "social constructionist" approach to planned change.²⁷ Called "appreciative inquiry," this model proposes that words and conversations determine what is important and meaningful in organizational life. Take, for example, the work group whose daily conversations are dominated by management feedback that its costs are too high. Even if the group performs well on quality and customer satisfaction, the focus on cost problems can lead group members to believe that the group is a poor performer. Accordingly, this approach to change involves starting new conversations that drive new shared meanings of key goals, processes, and achievements. Proponents of appreciative inquiry point out that most organizational conversations are focused on poor financial results or on how the organization could be better, on the gap between where the organization is and where it wants to be, and on the problems it faces. Metaphorically, organizations are like problems to be solved and the conversations among members dwell on the organization's faults.²⁸

Appreciative inquiry challenges that assumption. It suggests that the most important change an organization can make is to begin conversations about what the organization is doing right.²⁹ Appreciative inquiry helps organization members to understand and describe their organization when it is working at its best. That knowledge is then applied to creating a powerful and guiding image of what the organization could be. Broad involvement of organization members in creating the vision starts a new conversation about the organization's potential and creates a new focus and positive expectation. Considerable research on expectation effects supports this positive approach to planned change.³⁰ It suggests that people tend to act in ways that make their expectations occur: a positive vision of the organization's future energizes and directs behavior to make that expectation come about.

Planned change emphasizes member involvement and starts with which organization features to examine. For example, members can choose to look for successful male-female collaboration (as opposed to sexual discrimination), instances of customer satisfaction (as opposed to customer dissatisfaction), particularly effective work teams, or product development processes that brought new ideas to market especially fast. If the focus of inquiry is real and vital to organization members, the change process itself will take on these positive attributes. The second step involves gathering data about the "best of what is" in the organization. A broad array of organization members are involved in developing data-gathering instruments, collecting information, and analyzing it. In the third step, members examine the data to find stories, however small, that present a truly exciting and possible picture of the future. From those stories, members develop "possibility propositions"—statements that bridge the organization's current best practices with ideal possibilities for future organizing.³¹ That effort redirects attention from "what is" to "what might be." In step four, relevant stakeholders are brought together to construct a vision of the future and to devise action plans for moving in that direction. The vision becomes a statement of "what should be." Finally, implementation of those plans proceeds similarly to the action and assessment phases of action research described previously. Members make changes, assess the results, make necessary adjustments, and so on as they move the organization toward the vision.

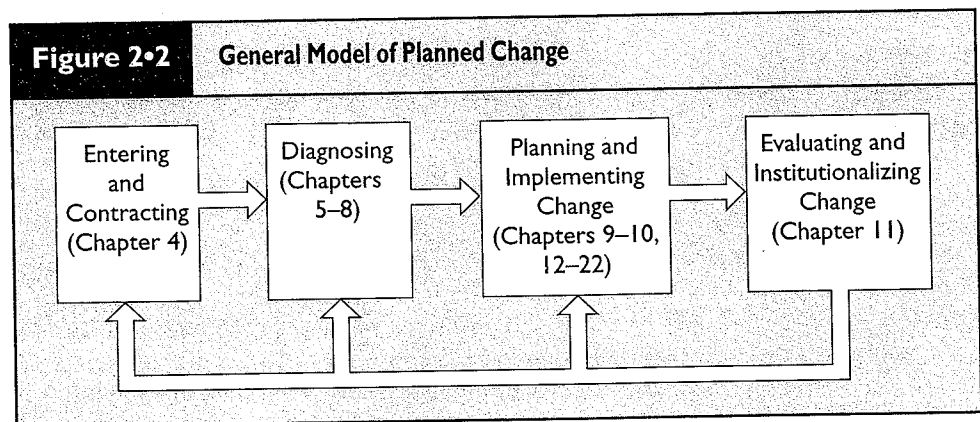
Comparisons of Change Models

All three models—Lewin's change model, the action research model, and contemporary adaptations to the action research model—describe the phases by which planned change occurs in organizations. As shown in Figure 2.1, the models overlap in that their emphasis on action to implement organizational change is preceded by a preliminary stage (unfreezing, diagnosis, or examining positive aspects of the organization) and is followed by a closing stage (refreezing or evaluation). Moreover, all three approaches emphasize the application of behavioral science knowledge, involve organization members in the change process to varying degrees, and recognize that any interaction between a consultant and an organization constitutes an intervention that may affect the organization. However, Lewin's change model differs from the other two in that it focuses on the general process of planned change, rather than on specific OD activities.

Lewin's model and the action research model differ from contemporary approaches in terms of the level of involvement of the participants and the focus of change. The first two models emphasize the role of the consultant with limited member involvement in the change process. Contemporary applications, on the other hand, treat both consultants and participants as co-learners who are heavily involved in planned change. In addition, Lewin's model and action research are more concerned with fixing problems than with focusing on what the organization does well and leveraging those strengths. That difference in focus derives from differences in defining reality as objective or socially constructed.³²

GENERAL MODEL OF PLANNED CHANGE

The three theories of planned change in organizations described above—Lewin's change model, the action research model, and contemporary adaptations to the action research model—suggest a general framework for planned change, as shown in Figure 2.2. The framework describes the four basic activities that practitioners and organization members jointly carry out in organization development. The arrows connecting the different activities in the model show the typical sequence of events, from entering and contracting, to diagnosing, to planning and implementing change, to evaluating and institutionalizing change. The lines connecting the activities emphasize that organizational change is not a straightforward, linear process but involves considerable overlap and feedback among the activities. Because the



model serves to organize the remaining parts of this book, Figure 2.2 also shows which specific chapters apply to the four major change activities.

Entering and Contracting

The first set of activities in planned change concerns entering and contracting (events described in Chapter 4). Those events help managers decide whether they want to engage further in a planned change program and to commit resources to such a process. Entering an organization involves gathering initial data to understand the problems facing the organization or the positive opportunities for inquiry. Once this information is collected, the problems or opportunities are discussed with managers and other organization members to develop a contract or agreement to engage in planned change. The contract spells out future change activities, the resources that will be committed to the process, and how OD practitioners and organization members will be involved. In many cases, organizations do not get beyond this early stage of planned change because disagreements about the need for change surface, resource constraints are encountered, or other methods for change appear more feasible. When OD is used in nontraditional and international settings, the entering and contracting process must be sensitive to the context in which the change is taking place.

Diagnosing

In this stage of planned change, the client system is carefully studied. Diagnosis can focus on understanding organizational problems, including their causes and consequences, or on identifying the organization's positive attributes. The diagnostic process is one of the most important activities in OD. It includes choosing an appropriate model for understanding the organization and gathering, analyzing, and feeding back information to managers and organization members about the problems or opportunities that exist.

Diagnostic models for analyzing problems (described in Chapters 5 and 6) explore three levels of activities. Organization issues represent the most complex level of analysis and involve the total system. Group-level issues are associated with department and group effectiveness. Individual-level issues involve the way jobs are designed.

Gathering, analyzing, and feeding back data are the central change activities in diagnosis. Chapter 7 describes how data can be gathered through interviews, observations, survey instruments, or such archival sources as meeting minutes and organization charts. It also explains how data can be reviewed and analyzed. In Chapter 8, we describe the process of feeding back diagnostic data. Organization members, often in collaboration with an OD practitioner, jointly discuss the data and their implications for change.

Planning and Implementing Change

In this stage, organization members and practitioners jointly plan and implement OD interventions. They design interventions to achieve the organization's vision or goals and make action plans to implement them. There are several criteria for designing interventions, including the organization's readiness for change, its current change capability, its culture and power distributions, and the change agent's skills and abilities (discussed in Chapter 9). Depending on the outcomes of diagnosis, there are four major types of interventions in OD:

1. Human process interventions at the individual, group, and total system levels (Chapters 12 and 13)
2. Interventions that modify an organization's structure and technology (Chapters 14, 15, and 16)
3. Human resource interventions that seek to improve member performance and wellness (Chapters 17 and 18)
4. Strategic interventions that involve managing the organization's relationship to its external environment and the internal structure and process necessary to support a business strategy (Chapters 19 and 20).

Chapters 21 and 22 present specialized information for carrying out OD in international settings and in such nontraditional organizations as schools, health-care institutions, and the public sector.

Implementing interventions is concerned with managing the change process. As discussed in Chapter 10, it includes motivating change, creating a desired future vision of the organization, developing political support, managing the transition toward the vision, and sustaining momentum for change.

Evaluating and Institutionalizing Change

The final stage in planned change involves evaluating the effects of the intervention and managing the institutionalization of successful change programs. (Those two activities are described in Chapter 11.) Feedback to organization members about the intervention's results provides information about whether the changes should be continued, modified, or suspended. Institutionalizing successful changes involves reinforcing them through feedback, rewards, and training.

Application 2.1 describes how the different phases of planned change were applied at the Comstock Michigan Fruit Division of Curtice Burns Foods, Inc.³³ It demonstrates how traditional planned change activities, such as entry and contracting, survey feedback, and change planning, can be combined with contemporary methods, such as large-group interventions and high levels of participation.

DIFFERENT TYPES OF PLANNED CHANGE

The general model of planned change describes how the OD process typically unfolds in organizations. In actual practice, the different phases are not nearly as orderly as the model implies. OD practitioners tend to modify or adjust the stages to fit the needs of the situation. Steps in planned change may be implemented in a variety of ways, depending on the client's needs and goals, the change agent's skills and values, and the organization's context. Thus, planned change can vary enormously from one situation to another.

To understand the differences better, planned change can be contrasted across situations on three key dimensions: the magnitude of organizational change, the degree to which the client system is organized, and whether the setting is domestic or international.

Magnitude of Change

Planned change efforts can be characterized as falling along a continuum ranging from incremental changes that involve fine-tuning the organization to quantum changes that entail fundamentally altering how it operates.³⁴ Incremental changes tend to involve limited dimensions and levels of the organization, such as the

APPLICATION 2.1**Planned Change at Curtice Burns Foods**

Comstock Michigan Fruit is the largest of six divisions in Curtice Burns Foods, Inc., a privately held cooperative with annual sales in excess of \$750 million. Comstock is the largest processor and distributor of vegetables and fruit fillings in the United States. It competes in the grocery trade under its own brand names, like Comstock, Thank You, and Wilderness, as well as private-label brands. Comstock also sells products to restaurants and public institutions. It employs about sixteen hundred employees and has annual sales of approximately \$370 million.

In the early 1990s, as competitive pressures rose to unprecedented levels in the food industry, Comstock sought to make substantial improvements in product quality and cost management. To achieve those goals, the company relied heavily on its traditional "command-and-control" culture, which emphasized top-down decision making and employee compliance with management directives. Although the culture had served Comstock well in the past, it quickly became a liability in the more competitive environment. The directive culture underutilized employees' knowledge and talents; it failed to apply their competence to making significant improvements in costs and quality. These problems were particularly evident in the company's manufacturing plants, where most of the improvements had to occur.

At two of the plants, managers became sufficiently frustrated with the status quo to seek ways to change it. They felt that a more participative culture that promoted employee involvement in problem solving and change would enable the firm to respond quickly to rapidly changing competitive conditions. Consequently, they contacted Comstock's vice president for organization development to explore how to get employees more involved in the improvement efforts. After several conversations, the managers concluded that continuous improvements in costs and quality would require a high-involvement culture where employees were empowered to make decisions and were rewarded for their contributions. Moreover, to create a high-involvement culture, the change process itself would need to be highly involving; it would need to model how employees could participate more in the daily operation and improvement of the plants.

Based on these early discussions, the vice president for organization development agreed to provide internal OD consultants to help the plant managers and their employees design and implement a high-involvement culture. The change process would rely heavily on survey feedback methods and large-group interventions. Members from the plants would review previous survey data to diagnose the culture of their own work units. They would also learn about customers' requirements, propose specific improvements in costs and qual-

ity, and make decisions about particular action items. The consultants would provide design and facilitation expertise and coach the participants throughout the change process.

Initially, the OD consultants worked with representatives from each of the two plants to design a two-day meeting where all plant members could learn about the competitive situation, diagnose their current organizations, and devise action plans for improvement. That design activity was highly intense and reflected in many ways how employees in both plants would react to the forthcoming meeting and the subsequent change process. At first, the plant representatives voiced frustration about the company's problems and skepticism about the prospects for positive change. Such disclosure enabled members to vent their negative emotions so they could then focus more positively on designing the two-day meeting.

Next, members at the two plants were informed about the upcoming meeting. The purpose of the change program and the agenda for the meeting were communicated both orally and in writing throughout the plants. Shortly thereafter, the plants were closed for two days so that all members could attend the meeting. Although each plant held a separate meeting, both facilities followed the same meeting design.

The first day of the meeting can best be described as "getting collectively smart." Key members of Comstock presented important information about customers, competitors, and the industry. Plant managers supplied data about costs and quality and the challenges of managing \$20–30-million budgets and all of the tradeoffs required. Comstock's president and CEO described the competitive environment and expectations for improvement. Employees were encouraged to ask questions and to share their own views about the challenges facing the firm.

The first day of the meeting was also designed to make everyone in the organization think like a manager. Employees were given information about how the business operated and the challenges that lay ahead. Because such information had never been shared with employees, many were surprised at the candor of the speakers. Specific knowledge about the business and the competitive situation was essential if members were to become actively involved in operating the plants and improving them.

The second day of the meeting began with a brief overview of an organizational climate survey that had been conducted throughout Comstock several months earlier. It measured various aspects of leadership, problem solving, communication, and quality management. The consultants summarized the survey data by major topic for each plant. Then participants worked in small groups to review and react

to the results. They were encouraged to share surprises and disappointments and to discuss what they were pleased with and what they thought was on target. Next, based on brainstorming in the subgroups, all plant members came together to identify the greatest barriers and enablers to plant success. This issue was discussed in the context of everything that they had learned the previous day about plant performance and the challenges facing the business overall.

The final part of the meeting addressed action planning. Once again, the entire group brainstormed possible action items and voted on priorities. Before leaving the meeting, employees were given the opportunity to join committees to address the issues that most concerned them.

The evaluations from both of these sessions were very positive. There was also a healthy dose of skepticism as employees wondered if anything would come of all of the work. Less than a year later, a number of positive changes were reported. For example, one plant worked out a flexible hours and maximum consecutive workdays schedule for the busy summer season. This resulted in more time off than was possible in the past. In another plant, the employees became very involved in designing their own work schedules and defining a process for awarding overtime. The maintenance group in one plant became more involved in the quality of the product produced, attended quality meetings, and took greater responsi-

bility for the operation of the plant. As a result, the quality of cut green beans greatly improved over the year because of better equipment and more attention by the employees. A self-directed team developed operating procedures on one production line with the goal of learning how an organization can push decision making down to the lowest possible levels. A pay-for-performance team was established in one plant and developed guidelines and procedures for evaluating performance. Those procedures were introduced during the winter of 1995 and organization members have reported an improvement in how performance is evaluated. Their next step is to revise the pay structure to link rewards with clearly identified skills and to clarify what is required for people to advance.

And finally, both facilities have increased the amount of management training. Greater effort is being made to gather the input from key stakeholders before making decisions. One facility reorganized to give maintenance personnel more responsibility for slowing production when there are problems. This is no longer the sole responsibility of management. Both facilities have made progress in creating the kind of environment that encourages shared responsibility for business success. More needs to be done, but there is a critical mass of people who are committed to making the changes. Developing that critical mass was the greatest challenge to managing change. ■

decision-making processes of work groups. They occur within the context of the organization's existing business strategy, structure, and culture and are aimed at improving the status quo. Quantum changes, on the other hand, are directed at significantly altering how the organization operates. They tend to involve several organizational dimensions, including structure, culture, reward systems, information processes, and work design. They also involve changing multiple levels of the organization, from top-level management through departments and work groups to individual jobs.

Planned change traditionally has been applied in situations involving incremental change. Organizations in the 1960s and 1970s were concerned mainly with fine-tuning their bureaucratic structures by resolving many of the social problems that emerged with increasing size and complexity. In those situations, planned change involves a relatively bounded set of problem-solving activities. OD practitioners are typically contracted by managers to help solve specific problems in particular organizational systems, such as poor communication among members of a work team or low customer satisfaction scores in a department store. Diagnostic and change activities tend to be limited to the defined issues, although additional problems may be uncovered and may need to be addressed. Similarly, the change process tends to focus on those organizational systems having specific problems, and it generally terminates when the problems are resolved. Of course, the change agent may contract to help solve additional problems.

In recent years, OD has been concerned increasingly with quantum change. As described in Chapter 1, the greater competitiveness and uncertainty of today's

environment have led a growing number of organizations to alter drastically the way in which they operate. In such situations, planned change is more complex, extensive, and long term than when applied to incremental change.³⁵ Because quantum change involves most features and levels of the organization, it is typically driven from the top, where corporate strategy and values are set. Change agents help senior managers create a vision of a desired future organization and energize movement in that direction. They also help executives develop structures for managing the transition from the present to the future organization and may include, for example, a variety of overlapping steering committees and redesign teams. Staff experts also may redesign many features of the firm, such as performance measures, rewards, planning processes, work designs, and information systems.

Because of the complexity and extensiveness of quantum change, OD professionals often work in teams comprising members with different yet complementary areas of expertise. The consulting relationship persists over relatively long time periods and includes a great deal of renegotiation and experimentation among consultants and managers. The boundaries of the change effort are more uncertain and diffuse than in incremental change, thus making diagnosis and change seem more like discovery than like problem solving. (We describe complex strategic and transformational types of change in more detail in Chapters 19 and 20.)

It is important to emphasize that quantum change may or may not be developmental in nature. Organizations may drastically alter their strategic direction and way of operating without significantly developing their capacity to solve problems and to achieve both high performance and quality of work life. For example, firms may simply change their marketing mix, dropping or adding products, services, or customers; they may drastically downsize by cutting out marginal businesses and laying off managers and workers; or they may tighten managerial and financial controls and attempt to squeeze more out of the labor force. On the other hand, organizations may undertake quantum change from a developmental perspective. They may seek to make themselves more competitive by developing their human resources; by getting managers and employees more involved in problem solving and innovation; and by promoting flexibility and direct, open communication. That OD approach to quantum change is particularly relevant in today's rapidly changing and competitive environment. To succeed in this setting, firms such as General Electric, Kimberly-Clark, ABB, Hewlett-Packard, and Motorola are transforming themselves from control-oriented bureaucracies to high-involvement organizations capable of changing and improving themselves continually.

Degree of Organization

Planned change efforts also can vary depending on the degree to which the organization or client system is organized. In overorganized situations, such as in highly mechanistic, bureaucratic organizations, various dimensions such as leadership styles, job designs, organization structure, and policies and procedures are too rigid and overly defined for effective task performance. Communication between management and employees is typically suppressed, conflicts are avoided, and employees are apathetic. In underorganized organizations, on the other hand, there is too little constraint or regulation for effective task performance. Leadership, structure, job design, and policy are poorly defined and fail to control task behaviors effectively. Communication is fragmented, job responsibilities are ambiguous, and employees' energies are dissipated because they lack direction. Underorganized situations are typically found in such areas as product development, project management,

and community development, where relationships among diverse groups and participants must be coordinated around complex, uncertain tasks.

In overorganized situations, where much of OD practice has historically taken place, planned change is generally aimed at loosening constraints on behavior. Changes in leadership, job design, structure, and other features are designed to liberate suppressed energy, to increase the flow of relevant information between employees and managers, and to promote effective conflict resolution. The typical steps of planned change—entry, diagnosis, intervention, and evaluation—are intended to penetrate a relatively closed organization or department and make it increasingly open to self-diagnosis and revitalization. The relationship between the OD practitioner and the management team attempts to model this loosening process. The consultant shares leadership of the change process with management, encourages open communications and confrontation of conflict, and maintains flexibility in relating to the organization.

When applied to organizations facing problems in being underorganized, planned change is aimed at increasing organization by clarifying leadership roles, structuring communication between managers and employees, and specifying job and departmental responsibilities. These activities require a modification of the traditional phases of planned change and include the following four steps:³⁶

1. **Identification.** This step identifies the relevant people or groups who need to be involved in the change program. In many underorganized situations, people and departments can be so disconnected that there is ambiguity about who should be included in the problem-solving process. For example, when managers of different departments have only limited interaction with each other, they may disagree or be confused about which departments should be involved in developing a new product or service.
2. **Convention.** In this step the relevant people or departments in the company are brought together to begin organizing for task performance. For example, department managers might be asked to attend a series of organizing meetings to discuss the division of labor and the coordination required to introduce a new product.
3. **Organization.** Different organizing mechanisms are created to structure the newly required interactions among people and departments. This might include creating new leadership positions, establishing communication channels, and specifying appropriate plans and policies.
4. **Evaluation.** In this final step the outcomes of the organization step are assessed. The evaluation might signal the need for adjustments in the organizing process or for further identification, convention, and organization activities.

In carrying out these four steps of planned change in underorganized situations, the relationship between the OD practitioner and the client system attempts to reinforce the organizing process. The consultant develops a well-defined leadership role, which might be autocratic during the early stages of the change program. Similarly, the consulting relationship is clearly defined and tightly specified. In effect, the interaction between the consultant and the client system supports the larger process of bringing order to the situation.

Application 2.2 is an example of planned change in an underorganized situation. In this case, the change agent is a person from industry who identifies a multifaceted problem: university research that should be helpful to manufacturing

APPLICATION 2.2**Planned Change in an Underorganized System**

The Institute for Manufacturing and Automation Research (IMAR) was founded in 1987 in Los Angeles by a group of manufacturing industry members. In its earliest stages of development, one person who had a clear picture of the obstacles to manufacturing excellence was Dale Hartman, IMAR's executive director and former director for manufacturing at Hughes Aircraft Company. He and several other industry associates pinpointed the predominant reasons for flagging competitiveness: needless duplication of effort among manufacturing innovators; difficulties in transferring technological breakthroughs from university to industry; frequent irrelevance of university research to the needs of industry; and the inability of individual industry members to commit the time and funds to research projects needed for continued technological advances.

Hartman and his colleagues determined that organizations should create a pool of funds for research and concluded that the research would most efficiently be carried out in existing university facilities. They worked through at least several plans before they arrived at the idea of the IMAR consortium. The United States Navy had been interested in joint efforts for innovations in artificial intelligence, but its constraints and interests were judged to be too narrow to address the problems that Hartman and the others identified.

Networking with other industry members—TRW, Hughes, Northrup, and Rockwell—and two universities with which Hughes had been engaging in ongoing research—the University of Southern California (USC) and University of California, Los Angeles (UCLA)—this original group formed a steering committee to investigate the viability of a joint research and development consortium. Each of the six early planners contributed \$5,000 as seed money for basic expenses. The steering committee, based on experience in cooperative research, determined that a full-time person was needed to assume leadership of the consortium. Members of the committee persuaded Dale Hartman to retire early from Hughes and take on IMAR's leadership full time. Hartman brought with him a wealth of knowledge about barriers to innovation and technology transfer, and a solid reputation in both industry and academia that was crucial for the success of multiple-sector partnerships. As a former Hughes networker, he knew how to lobby state and federal government sources for funds and legislation that promoted industry innovation. He also knew a host of talented people in southern California whom he would persuade to become IMAR members.

In his thirty years in manufacturing, Hartman found that university-driven research had not produced a respectable yield of usable information. University research was frequently irrelevant to industry needs and seldom provided for transfer of usable innovation to the plant floor. Industry was only

tangentially involved in what the university was doing and saw little opportunity for the two sectors to benefit from a partnership. Therefore, it was determined that IMAR would be user-driven. Industry would set the agenda by choosing projects from among university proposals that promised to be of generic use to industry members, and it would benefit by influencing the direction of research and receiving early information about research results.

In the next several months, the steering committee and Hartman met regularly to define common research needs and locate funding sources. They sought industry sponsors from high-technology companies with an understanding of the problems in manufacturing research and a desire to do more than merely supply money. They wanted members who would be willing to get involved in IMAR's programs. Furthermore, they wanted all members to be able to use the results of IMAR's generic research while not competing directly with each other. Finally, they decided that they wanted a relatively small membership. If the membership grew too large, it might become unwieldy and thus obstruct efforts to get things done.

IMAR's industrial advisory board was formed with six industrial organizations represented—Xerox, Hughes, TRW, Northrup, IBM, and Rockwell—in addition to USC and UCLA. Members were to pay \$100,000 each and make a three-year commitment to IMAR. With initial objectives in place and a committed membership, Hartman was already searching for additional funding sources. He was successful in getting a bill introduced in California's state legislature, later signed by the governor, that authorized the state department of commerce to fund IMAR \$200,000. Moreover, IMAR was able to tie into the Industry-University Cooperative Research Center Program (IUCRCP) of the National Science Foundation (NSF) by forming an industry-university consortium called the Center for Manufacturing and Automation Research (CMAR). NSF funded CMAR with a \$2-million grant and a five-year commitment. NSF funding in particular was sought because of the instant credibility that NSF sponsorship gives to such an institute.

NSF requested that several more universities be added to the consortium. In addition, an NSF evaluator was to be present at all IMAR meetings and conduct ongoing evaluation of CMAR's progress. IMAR already had UCLA and USC among its members and now added four university affiliates to work on research projects: the University of California, Irvine; University of California, Santa Barbara; Caltech; and Arizona State University. The IMAR steering committee then voted to fund research projects at an affiliated university only if it involved cooperation with either USC or UCLA. Each of the four university affiliates was paired with either USC or

UCLA. Each affiliate university was selected because it provided expertise in an area of interest to IMAR's industrial membership. Arizona State, for example, had expertise in knowledge-based simulation systems in industrial engineering, a field of special concern to IMAR's membership.

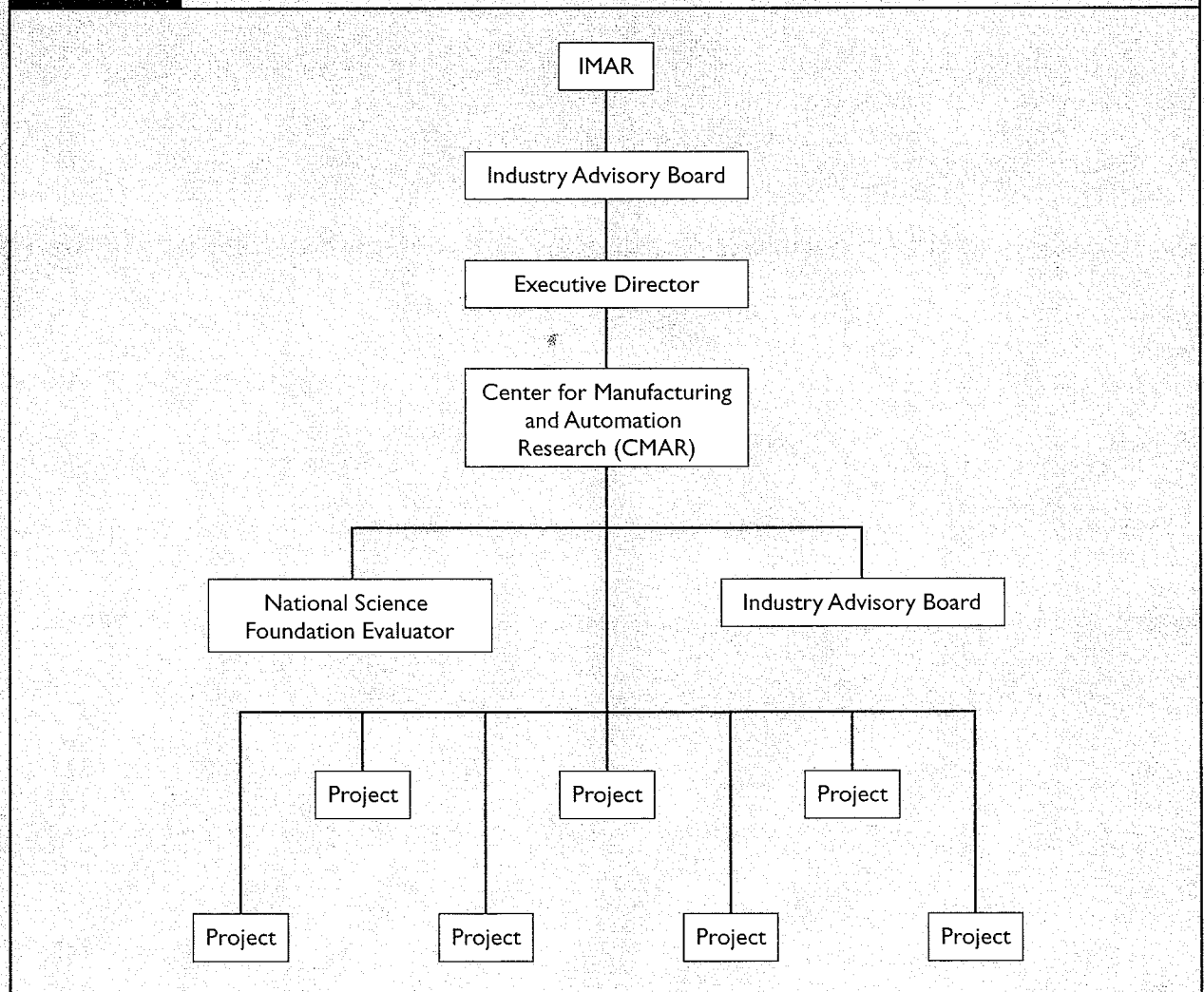
Currently, IMAR has funded nine projects: four are joint with the affiliated universities, one is joint between investigators at USC and UCLA, and two each are conducted separately at USC and UCLA. Figure 2.3 shows IMAR's structure.

CMAR operates under the auspices of IMAR with the same board of directors serving both consortia. There are two co-directors of CMAR: Dr. George Bekey, chairman of the Computer Science Department at USC, and Dr. Michel Melkanoff, director of UCLA's Center for Integrated Manufacturing. As co-directors they have an indirect reporting rela-

tionship to Dale Hartman. Their responsibilities are to distribute the research funds and to serve as the focal point on their respective campuses. Questions from project team members are directed to one or the other co-director, depending on the project. Each of the co-directors takes responsibility for managing project team members and providing rewards, such as reduced course loads, to research professors wherever possible.

The co-directors further work to encourage informal ties with industry members. For example, Dr. Bekey has initiated efforts to have IMAR representatives regularly visit others' facilities to encourage them to cooperate and share ideas. That practice further deepens each industrial member's commitment to IMAR because the representatives are associating with one another and other colleagues in the workplace. In

Figure 2-3 Organizational Structure of the Institute for Manufacturing and Automation Research (IMAR)



the event that an industry or university representative leaves, an associate is more likely to be there to take his or her place. Further, Bekey notes that the association between industry and university helps industry to overcome its short-term orientation and helps university people appreciate applied problems and manufacturing needs.

IMAR's board of directors sets the research agenda at annual reviews in which it makes recommendations for topics to be funded. IMAR takes these recommendations and translates them into "requests for proposals" to be circulated among the participating university members. CMAR's co-directors then solicit proposals from the university membership. Researchers' proposals are evaluated and ranked by industry representatives and then passed back to the industry advisory board, which finally determines which projects should be funded.

Not only is IMAR engaged in nine research projects in such technologies as microelectronics, digital computers, lasers, and fiber optics; it is further working to resolve critical problems for manufacturing innovation research. One area of study is technology transfer. IMAR is trying to establish a pilot production facility that Hartman has called "a halfway house for manufacturing." The facility would permit basic research to be brought to maturity and would be capable of producing deliverable parts. The facility would also engage in systems-level research in such areas as management and systems software. Such a facility would provide an excellent training ground for students.

Yet another function that Hartman believes IMAR must assume is graduate and continuing education. Graduate education is fostered through the various projects; continuing education for industrial members is provided through affiliation with state-of-the-art research being done by university researchers. Furthermore, USC and UCLA faculty are available to assist IMAR in presenting seminars.

Another strength of IMAR is its affiliation with an NSF evaluator who is appointed to follow the progress of the industry-university cooperative research centers. Dr. Ann Marczak is IMAR's NSF evaluator. NSF conducts a regular audit of the thirty-nine IUCRCPs it sponsors and makes information available about survey results, others' reports of what works,

and so forth. Dr. Marczak serves a valuable function to IMAR as an objective source of feedback. After her first evaluation, for example, Marczak recommended that a project team be formed to conduct ongoing progress assessment for each of the nine research projects IMAR is sponsoring. The evaluator's findings also serve as NSF's means of determining how well each of the funded centers is performing. A center is judged successful if after five years it can exist without NSF funds. NSF also evaluates each center in terms of how much industry money its projects generated, how much additional money the center generated in research projects, the number of patents granted, products produced, and the satisfaction of faculty and industry participants.

Although it is too soon to assess IMAR's success in meeting its objectives, it is well positioned to take advantage of the full range of benefits offered by joint industry-university research. After only one year of operation, IMAR has dealt with many of the problems that so frequently plague collaborative research and development efforts among organizations. It has a well-defined purpose that is strongly supported by its members. It is well structured and has a good balance of resources and needs among its membership. Formal and informal communication networks have been established. It has strong leadership. Members of IMAR respect Hartman for his technological expertise and skills as a networker. Hartman has a strong sense of IMAR's mission. After a discussion with him, one gets the sense that there is not an obstacle he will not overcome. His vision further instills commitment among the IMAR membership. As one member put it, "You end up wanting to see what you can do for the cause."

Not only does IMAR have the commitment of a full-time leader and strong feedback from its NSF evaluator, but it involves user-driven research. Although the research is basic, it is chosen by the users themselves to benefit all members of the consortium. If the research had been applied, it would have been more difficult for members to find projects yielding information that all of them could use. The involvement of multiple universities further provides the talent of top researchers in diverse areas of technological expertise. Finally, NSF is furnishing a large proportion of the funding for the first five years as well as regular evaluations. ■

organizations is not being shaped, coordinated, or transferred. In response, he forms an organization to tighten up the relationships between the two parties.³⁷

Domestic vs. International Settings

Planned change efforts traditionally have been applied in North American and European settings but increasingly are used outside of those cultures. Developed in western societies, the action research model reflects the underlying values and

assumptions of these geographic settings, including equality, involvement, and short-term time horizons. Under such conditions, the action research model works quite well. In other societies, however, a very different set of cultural values and assumptions may operate and make the application of OD problematic. For example, the cultures of most Asian countries are more hierarchical and status conscious, are less open to discussing personal issues, more concerned with saving "face," and have a longer time horizon for results. Even when the consultant is aware of the cultural norms and values that permeate the society, those cultural differences make the traditional action research steps more difficult for a North American or European consultant to implement.

The cultural values that guide OD practice in the United States, for example, include a tolerance for ambiguity, equality among people, individuality, and achievement motives. An OD process that encourages openness among individuals, high levels of participation, and actions that promote increased effectiveness are viewed favorably. The OD practitioner is also assumed to hold those values and to model them in the conduct of planned change. Most reported cases of OD involve western-based organizations using practitioners trained in the traditional model and raised and experienced in western society.

When OD is applied outside of the North American or European context (and sometimes even within those settings), the action research process must be adapted to fit the cultural context. For example, the diagnostic phase, which is aimed at understanding the current drivers of organization effectiveness, can be modified in a variety of ways. Diagnosis can involve many organization members or include only senior managers; be directed from the top, conducted by an outside consultant, or performed by internal consultants; or involve face-to-face interviews or organization documents. Each step in the general model of planned change must be carefully mapped against the cultural context.

Conducting OD in international settings is highly stressful on OD practitioners. To be successful, they must develop a keen awareness of their own cultural biases, be open to seeing a variety of issues from another perspective, be fluent in the values and assumptions of the host country, and understand the economic and political context of business there. Most OD practitioners are not able to meet all of those criteria and adopt a "cultural guide," often a member of the organization, to help navigate the cultural, operational, and political nuances of change in that society.

CRITIQUE OF PLANNED CHANGE

Despite their continued refinement, the models and practice of planned change are still in a formative stage of development, and there is considerable room for improvement. Critics of OD have pointed out several problems with the way planned change has been conceptualized and practiced.

Conceptualization of Planned Change

Planned change has typically been characterized as involving a series of activities for carrying out effective organization development. Although current models outline a general set of steps to be followed, considerably more information is needed to guide how those steps should be performed in specific situations. In an extensive review and critique of planned change theory, Porras and Robertson argued that planned change activities should be guided by information about (1) the organizational features that can be changed, (2) the intended outcomes from making those changes, (3) the causal mechanisms by which those outcomes are achieved, and