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ORGANIZATIONAL DEVELOPMENT THROUGH PLANNED CHANGE:

A DEVELOPMENT MODEL

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For some time now I have sensed a certain regularity in my consulting relationships - a certain inevitability to the unfolding process of the consulting relationship. This regularity excites me and I have found my awareness of it to be quite useful in planning and executing consulting interventions. I have a hunch that it may be useful to other consultants and clients as well. In testing these ideas with Al Frohman, I found that he, too, had sensed these regularities in his work. As a result we have set out together to make these intuitive feelings more explicit. This paper represents our first attempt to set these ideas down. We see the paper not as a product, but as a tool for further clarifying our thoughts. Much of what you read here may seem obvious, some of it controversial, some of it intriguing. Please share these reactions with us.

The process of planned change can be conceived of as a dynamic seven stage process. These stages: scouting, entry, diagnosis, planning, action, evaluation, and termination are pictured diagrammatically below.

The Process of Planned Change

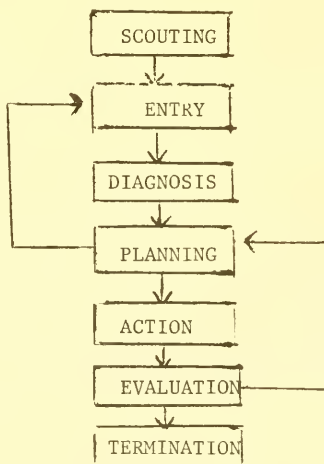


Fig. 1

The central issues in the change process and their implications are summarized below for each stage of the change process. The successful implementation of change is directly related to the successful resolution of these issues.

Scouting

The critical goal of this phase is for the consultant to identify the best point for him to enter the system he is trying to change. In addition, it is at this point that the consultant is "scouting" his own interests, values and priorities in an effort to decide whether this client system is one with which he wants to work. It is important to note that at this point the client system is often going through a similar scouting procedure in its search for resources and solutions to its problems. An invitation to work with a client is based on the client's perception that the consultant can help in some way. The first scouting goal is often to answer the question, "What about their perception of me and their problem led them to contact me? As Greiner (1967) has pointed out the consultant's success is directly affected by the client's actions prior to calling him in. One step in answering this question is to become familiar with the general characteristics of the system. We tend to look at the following kinds of issues:

1. major resources of client system
2. major limitations of client system
3. important social and cultural norms and values
4. identification of major subsystems within the overall client system
5. gross interrelationships among major subsystems within the overall client system
6. attitude of client system toward change, authority, outsiders



7. interrelationship between client system and other systems in its environment
8. motivation of the client system

In choosing the appropriate entry point the interrelationships among the various units of the system (whether individuals, groups or institutions) are especially important. This is because the acceptance and implementation of change most often requires that the recognized power structure of the system be used to establish the change (revolutionary coercive change is the exception here). If one's initial contacts with an organization are with the deviant members of that organization, they may be very willing to accept a change for the system (change is what most deviants want), but they are also likely to have little influence with the established authorities in the system.

The identification of these interrelationships is particularly important in attempts to introduce change in systems where the power structure and human interrelationships are ambiguous or diffuse. In community development, for example, it is crucial. If a community development worker enters a village and makes initial contacts which offend the power structure (e.g., having a meal at the home of deviant members of the community before formally presenting oneself to the mayor), his chances for introducing change in that community can be closed before he begins. This problem is less acute in structured organizations although it is still important that the consultant understand his entry point, how this person or group is perceived by the organization, the person or group's power within the organization and its receptivity to change.

Another example concerns the attempts of members of one country to promote economic development in another country. They were invited in by one

of the developing country's main financial institutions and began to work with this financial institution. However, the national government of the country and political considerations were so important in determining the financial institution's behavior that no activity could be undertaken without influential government support. Had this linkage between the government and financial institution been recognized during the scouting phase a more appropriate entry point would have been chosen. In this case the consultants found themselves locked into a position from which the successful introduction of change was very difficult.

Entry

Once the entry point has been chosen, the consultant and client system through the entry point representative begin to negotiate a "contract". The "contract" will define if and how the succeeding stages of the planned change process will be carried out. "Contract" is used here in quotation marks because this process implies more than a legal document agreed upon at the outset of a project. The emphasis here is much more on a continuing process of sharing the expectations of the consultant and client system and agreeing on the contributions to be made by both parties. Mark Frohman (1968) notes that agreement over expectations in the following areas are important in order to develop an effective working relationship:

1. The consultant's and client's goals
2. Broad definition of the problem (to be redefined as relationship progresses)
3. Relationships of the problem to the overall system
4. Client resources and abilities applicable to the problem
5. Consultant resources and abilities applicable to the problem

6. Broad mode of approach to the problem
7. Nature of the consultant/client relationship
8. Expected benefits for client
9. Expected benefits for consultant
10. Ability of one party to influence the other

The last area is one of the most important issues in the contract negotiation process - power - gaining the influence necessary to work effectively in the client system. There are four primary sources of this power: (1) the legitimately constituted authority of the system (e.g., the president says one should do this); (2) expert power (e.g., the prestige of a consultant, or the compelling logic of a solution); (3) coercive power; and (4) trust-based power - the informal influence that flows from collaborative problem definition and solution. While in most change projects power from all four of these sources is brought to bear in implementation of the change, the power derived from collaborative problem definition is often especially critical to the success of those planned change efforts where the system's formal power structure and experts are seen to be the object and/or causes of the problem to be solved.

It is important to emphasize the importance of continual renegotiation of the contract as the relationship between client and consultant develops. As the planned change process enters succeeding stages, the nature of the problem may change, the resources needed for its solution may increase or decrease, and/or the consultant's particular expertise may become more or less relevant to the client system. Another aspect of the continuing negotiation process is represented by the feedback loop that reenters the entry stage from the planning stage. As the diagnosis and planning stages proceed, the entry point into the client system may have to shift or expand

to include those parts of the system which are affected by and/or are responsible for the problem. For example, the personnel department or a company might engage a consultant to work on the problem of high turnover among first level management. Diagnosis of the problem may well reveal that the reasons for this turnover lie in poor morale in the line operations. Since some responsibility for the ultimate solution of this problem lies with the line managers, the entry contract must be expanded to include these managers in the change process.

Diagnosis

The main object of the diagnostic phase is to move toward improvement of client system functioning by changing vaguely felt difficulties into specific problems. Diagnosis focusses on four elements: the client's felt problem, the client system's goals, and client and consultant resources. The starting point for the diagnosis is the client's felt problem. Beginning with the client's sense of the problem facilitates the meeting of the client's needs and his involvement and interest in the diagnostic phase. If more and/or different problems are identified as the diagnosis progresses, the client and consultant can assign priorities and focus attention on the most important problem or the problem which must be solved before other problems can be attacked.

The first step in problem definition is to identify the subpart or parts of the system where the problem is located. Once this is done it is important to identify the boundaries of the subsystem with the problem and the interrelationships of this subsystem with other parts of the system. This is necessary in order to anticipate the effect of a change in one part of a system on other aspects of the system's functioning. When the parts of the system that are affected by the problem and/or will be affected by any changes in

the problem are identified, the next step is to outline the forces working toward and against improvement in the situation and to identify those forces that might be changeable. Force field analysis is one tool that can be used in this part of the diagnosis.

The second element of the diagnosis is to define clearly the goals of the client system. What is the desired state toward which the client is striving? If goals are operationally defined, they can give direction to a meaningful, lasting solution of the problem and can place the problem in the context of the organization's total development.

The third and fourth elements assessed in the diagnostic processes are the client's and consultant's resources available for bringing improvement in the problem. One particularly important variable to assess here is motivation and readiness for change on the part of the client system and the change agent. Is the client system really committed to improvement of the problem? Are the key individuals responsible for implementing the change committed? What are the change agents' motives -- prestige, genuine desire to help, scientific experimentation? The consultant should especially look for resources internal to the client system which can be developed and utilized to solve the problem. In this way the development of internal resources is accelerated and dependency on the consultant is reduced.

The change agent can use several methods to obtain the necessary information -- interviews, questionnaires, observation, and previous performance data are perhaps the most common. Another important diagnostic indicator is the consultant himself. The system's response to the consultant and the consultant's reaction to the system can be an invaluable source of data about how the system responds to change. The consultant, if he is an "outsider", will be reacted to as a change. From this interaction much can be learned about the

system's receptivity to change and its style of coping (e.g., Is he seen as a threat or potential helper?) with new events. In addition, the consultant can get some feeling for the climate of the system -- is it relaxed or tense, friendly and cheerful or depressed?

Planning

The results of the diagnostic phase form the starting point for the planning phase. These results may require a renegotiation of the entry contract. During the planning phase the entry contract should be expanded to include those members of the system who will be responsible for implementing the change and/or will be immediately affected by it.

The first planning step is to define the objectives to be achieved by the change. Once clear cut objectives have been established, alternative solutions or change strategies can be generated. Following this, some attempt should be made to simulate the consequences of each of the alternatives. Often this is done simply by "thinking through" the implications of each change strategy; but more sophisticated simulation methods such as computer simulation can be used. The final change strategy is then chosen from the alternatives available.

The simulation can also be useful in selecting criteria by which the change can be evaluated. It is important that interim as well as long term means of monitoring the change be built into the action plan. It is necessary in order to evaluate progress of the change and useful as a reinforcement of change to the client.

Planning should include analysis of the expected sources of resistance to the proposed change. Resistance, when it occurs, is often treated as an irrational negative force to be overcome by whatever means; yet, in some cases resistance to change can be functional for the survival of a system. If an

organization tried every new scheme, product, or process that came along it would soon wander aimlessly, flounder and die. The positive function of resistance to change is to insure that plans for change and their ultimate consequences are thought through carefully. The failure of most plans for change lies in the change's unanticipated consequences. In industry these failures often take the form of technical changes (e.g., a new information system, a new production process) which fail to anticipate and plan for the social changes that the technical changes cause (e.g., increases and decreases in power at different levels of the organization in the information system example or new working relationships and/or more or less meaningful work in the new production process example). The result is that managers and administrators are annoyed at the stupidity of those subordinates who resent this very "logical" improvement. Yet, the subordinates often are not resisting the logic of the improvement (and hence, logical arguments for the change don't help), but, are resisting the social changes which management has not recognized or planned for.

These dysfunctional aspects of resistance to change can be alleviated by careful preparation for the action phase. If system members can be involved at the appropriate stages of the scouting, entry, diagnosis and planning phases, the plan for change can be made more intelligent and more appropriate to the system's needs.

Action

In the action phase the plan of action developed in the planning phase is implemented. If the work of the previous four phases has been done well the action plan should proceed smoothly. If there are hitches or problems these can usually be traced to unresolved issues in the early phases, e.g., a failure to involve some key person or group in the entry phase, a failure

to diagnose the system adequately, or a failure to adequately anticipate consequences of the action in the planning phase. If these errors are not so great as to disrupt the total change effort they can become useful "critical incidents" for learning more about the client system.

Action interventions can be classified on two dimensions - the source of power used to implement the intervention and the organizational subsystem to which the intervention is addressed. We have already mentioned four sources of power that can be used to implement change - formal power, expert power, coercive power, and trust-based power. Organization changes can be addressed to six organizational subsystems:

1. The People Subsystem

This subsystem has two aspects, manpower flow and education. Interventions in the manpower flow aspect can take the form of programs for solution and evaluation of organization members and the development of systematic models for manpower management (Haire 1967 and Patz 1970) which regulate the flow of individuals in, out, up, down, and laterally in the organization so that organizational and personal development are maximized. The educational aspect is perhaps the most highly developed area of OD intervention. Educational programs have been designed to change motives, skills, and values of organization members.

2. The Authority Subsystem

The authority subsystem has a formal and an informal aspect. Changes can be made in formal authority relationships - changes in job titles and responsibilities, reduction or increase in the span of control, increases or decreases in the number of organizational levels and so on. In addition, informal leadership patterns can be the object of change interventions. For example, a team-building program may be designed to base leadership in the team less on organizational title

and more on team members' expertise in the problem at hand.

3. The Information Subsystem

This subsystem, too, has a formal and informal aspect. The formal information system of the organization can be redesigned to give priority and visibility to the most important information and to provide mechanisms for getting information to the right place at the right time. The informal communication system is an equally important part of the organization's information processing process. Change interventions here can be addressed to the identification and/or development of "technological gatekeepers" - those sociometric stars who are central to the informal information flow (Allen 1967). Interventions can also be designed to improve the quality of communication among organization members. Many work team development programs focus in part on this process.

4. The Task Subsystem

This subsystem has two identifiable aspects - the technology on which jobs are based and the human satisfactions offered by the job. An increasingly important area of OD - job enlargement - has done much to redesign jobs so that there is a better match between the job holder's motives and the satisfactions provided by his job. Though we understand much about the impact of technological change on organizational life, as yet, little has been done to systematically plan technological changes with a view toward the effect of these changes on the other organizational subsystems and on the total development of the organization.

5. The Legal/Culture Subsystem

As the name implies, this subsystem has a formal, explicit aspect and an informal implicit aspect. Perhaps the most common form of organization change is change in the formal legal system of the organization - changes in policy. Less common and more difficult are attempts to change the culture or climate of an organization, its norms and values. The Blake Grid OD program is perhaps the most systematic and comprehensive approach to cultural change.

6. The Environmental Subsystem

The environment in which an organization exists has a great impact on the organization and as a result can be a source of leverage for organization change. The environment can be divided somewhat arbitrarily into the internal environment of the organization and the external environment. One important aspect of the internal environment is architecture. The spatial relationships of organization members, for example, can have a great impact on the information subsystem (Allen 1969). The external environment has many characteristics which affect the organization's effectiveness - rapidity of change, uncertainty, quality and quantity of labor supply, financial and material resources, political and legal structures, markets, and so on. In addition to choosing its environment when it begins operation, an organization can redefine the aspects of its environment it relates to. For example, an organization that conceived of itself as serving a specific market such as manufacturing and selling bottles can redefine its objective and self-image to that of a growth company thereby relating more to uncertain rather than stable aspects of its environment. This redefinition will have implications for all of

the other organizational subsystems.

The source of power and organizational subsystem dimensions can be combined to form an organizational intervention matrix (see Figure 2). The main implication of this matrix, for us, is that action interventions should be planned and executed with an awareness of the total organizational system. Since changes in one subsystem will affect changes in every other, the best leverage point for change can be sought. It may be easier, for example, to redefine jobs than to change motives. Communication problems between units may be alleviated by locating the units in the same place. In addition, the two aspects of each of these subsystems must be in harmony. The formal authority system must be supported by the informal authority system and vice versa. Policy changes which are not supported by cultural changes are doomed to subversion.

Another implication, or perhaps speculation is a better word at this point, is that different sources of power and combinations of sources of power may be important in changing different subsystems. Expert power may not be enough to implement even the most clearly optimal information system. Depending on the organization a lack of legitimate power or trust-based power could doom the intervention to failure.

Thus, this matrix is intended as a kind of check list for the consultant - what sources of power are available for bringing about change? What sources are appropriate? Which subsystem is the best starting point? How will changes then affect the rest of the organization?

Evaluation

The evaluation of the change strategy is conducted in terms of the objectives defined during the planning phase. It is usually useful to

Coercive Power

Legitimate Power

Expert Power

Trust-based Power

Source of Power

People
 -manpower flow
 -education

Authority
 -formal
 -informal

Information
 -formal
 -informal

Task
 -technology
 -human satisfaction

Legal/Cultural
 +legal
 -culture

Environment
 -internal
 -external

Organization Subsystem

Fig. 2

evaluate the change against task subgoals which will indicate if the change is progressing as desired.

The client should be able to monitor the progress of the action and evaluate the data. This decreases the dependency on the consultant and develops within the client system the ability to use the information generated within the system for self analysis. It also is essential in order to allow the client the self-control and self-direction necessary for independence.

The results of the evaluation stage determine whether the change project moves to the termination stage or returns to the planning stage for further action planning and perhaps further contract negotiation with the client. The tradition in the scientific evaluation of change projects has been to separate the evaluation phase from action phase. In many cases an independent researcher is hired to evaluate the change efforts so that the results will not be biased. While this approach has some benefit from the standpoint of scientific objectivity, it has some costs in terms of the effective implementation of change. It should be clear from our model that we see the evaluation phase as an integrated part of the change process. Criteria for evaluation are defined in terms of the objectives set forth in the planning phase. Members of the client system know on what dimensions they are being evaluated. Though we know from previous research that knowledge of these evaluation dimensions will influence their behavior so much the better! The Rosenthal and Hawthorne effects are among the most potent change tools we possess. By sharing with individuals the objectives for change and evaluation we enlist their participation in achieving these objectives.

The problem of bias in evaluation data can be dealt with by the choice of "real" non-fakeable indices. If, for example, a research group shows an increase in number of patents the client will probably not be worried about the fact that the scientists knew that this was the goal of the action intervention.

Termination

The consultant-client relationship is by definition temporary. In addition, most consulting relationships are conceived to bring about some improvement in the client system's functioning that will continue after the consultant leaves. Because of these characteristics of the consulting relationship, the issue of termination must be given attention throughout the relationship from beginning to end. In the initial entry contract the conditions of termination should be discussed and tentatively agreed upon. Of course, as the relationship progresses these conditions will become clearer and should be a continuing item for contract renegotiation.

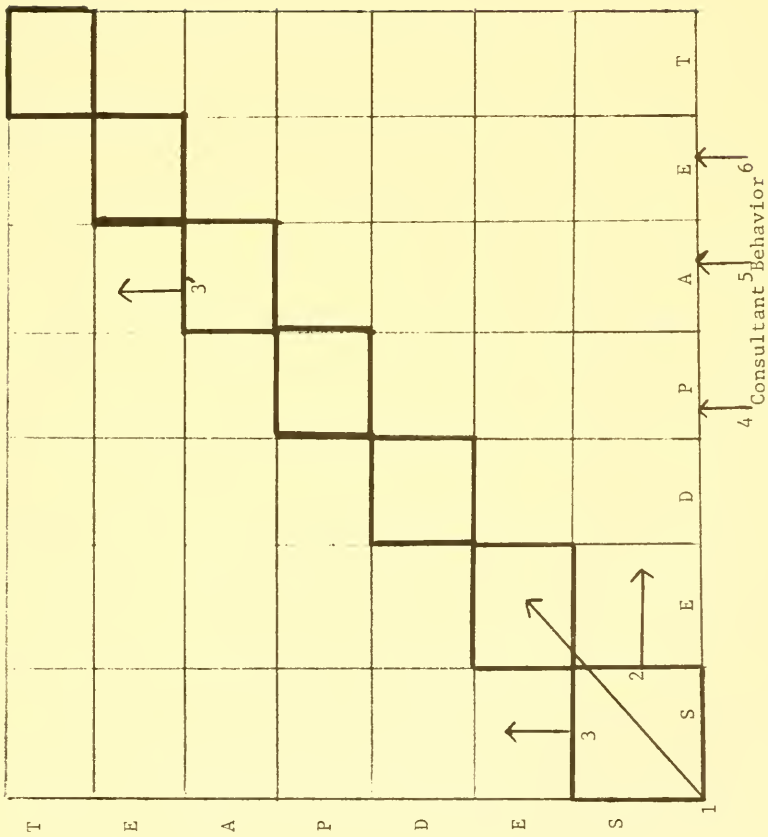
Generally speaking, there are two different termination situations - success and failure. Success has two aspects: 1) successful achievement of the goals outlined in the entry-diagnosis - planning phases and 2) improvement of the client system's ability to achieve similar goals in the future. While in the success case the termination point is often quite clear, the problem of client dependence can often cloud the issue. In some cases the consultant may leave the system so abruptly that the client suffers from what Richard Boyatzis calls "the Lone Ranger syndrome." The client feels abandoned and helpless while the all powerful consultant rides off into the sunset. In other cases the consultant may linger too long, reaping the rewards of his success and increasing the client's dependency by preventing him from leaving the consultant's expertise.

The great problem of termination under conditions of failure is how to use the situation as a learning experience for both the consultant and client. There are far more failures in organizational consulting than is generally recognized. The conditions in most consulting relationships are such that it is extremely embarrassing to both client and consultant if things don't go as expected. The client has usually invested a lot of time and money and taken several risks. The consultant has often made many promises and given assurances - his professional potency is on the line. The mutual face-saving that results from this state of affairs can preclude the kind of analysis and learning that might help avoid recurrences of the same situation for both client and consultant.

On the Developmental Nature of the Consulting Process

We began this essay with some comments on the regularity and inevitability of the consulting process in planned change. In closing we would like to share some of our speculations about the developmental regularity of the seven stages we have outlined. Taking our cue from Erikson's (1959) child development model, we have created a developmental matrix which on the vertical axis defines the seven stages of the planned change process in developmental order. The horizontal axis designates the actual behavior of the consultant (see Figure 3). The shaded boxes represent the "normal" developmental path of a consulting relationship as outlined in this paper. On this path the consultant (see arrow) resolves the issues of the scouting stage before proceeding to confront the issues of the entry stage. He then resolves these issues before confronting diagnosis issues and so on. Horizontal movement in the matrix represents a

A Development Model of the Planned Change Process



Development Phases of the Consultant Client Relationship

Fig. 3

fixation, i.e., a failure to resolve the issues of one stage before proceeding to the next. The consultant represented by arrow 2, for example, has not resolved the scouting issue of selecting an appropriate entry point. Thus, he is forced in the entry stage to continue his search for a point of entry under the pretext of negotiating a contract. This fixation at a particular stage can be quite subtle. It is only in retrospect, for example, that I (Kolb) realized that my four years of work with the Peace Corps never really proceeded beyond the scouting stage even though I went through several entry - diagnosis - planning - action - evaluation sequences with that organization. What was really happening, I think, was that both the Peace Corps and I were using these projects as a means of scouting each other.

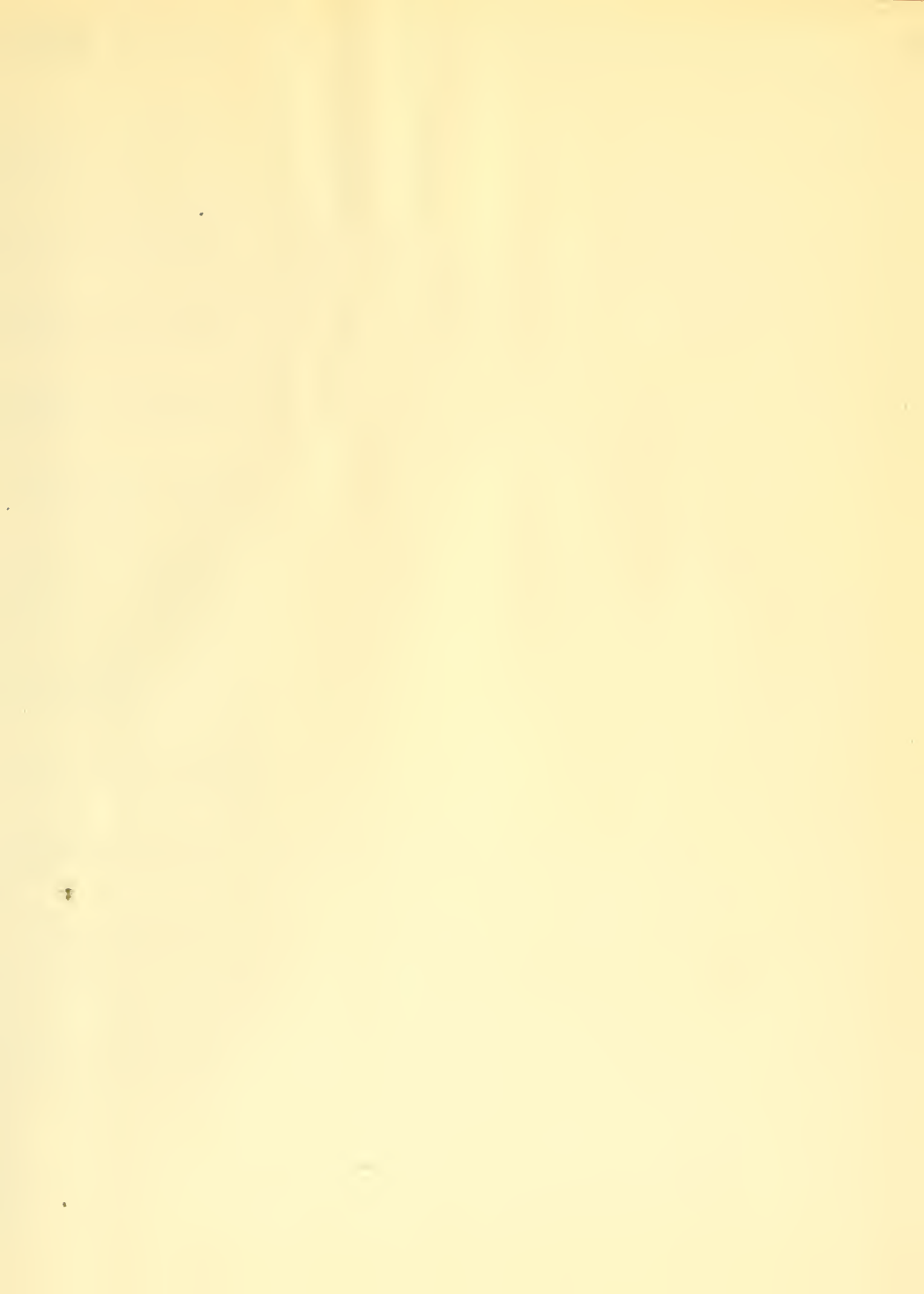
Vertical movement in the matrix, on the other hand, represents an arrestation of development, i.e., a failure to confront the issues of the next stage. Consultant 3, for example, while he may see an entry point, for some reason is reluctant to press forward toward a contract with the client. Perhaps the most common case of arrestation in the consulting process occurs in the action - evaluation stages. This is represented by Consultant 3¹ arrow. In this case, the consultant cannot bring himself for a complex set of reasons to evaluate his actions and so continues these actions with his client (and other clients as well).

Another typical consulting strategy can be examined in this matrix. There are consultants who see themselves as specialists; for example, the planner (arrow 4), the action specialist (arrow 5), and the evaluator (arrow 6). In these cases the inexperienced consultant may choose to ignore the fact that his specialty is but one part of the client system's problem solving process. The result is a plan that is not seen by the

people with the power to implement it (scouting is ignored) or a plan that has no commitment of the people who are to carry it out (entry issues are ignored) or a plan that is inappropriate for the client (diagnosis is ignored). Similar problems can be identified in evaluation studies. The action specialists, however, can cause the most difficulty. Consultants can become so committed to their particular "bag", be it sensitivity training, achievement motivation, information systems, or whatever, that they become salesmen for their product rather than consultants whose commitment is to organizational development. It is ironic that it is often the salesmen who lament most about the organization's resistance to change.

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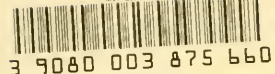


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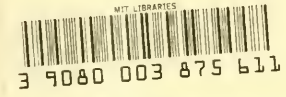
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