

Organization Development: A Question of Fit for Universities

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The problem and the solution. This article offers a theoretical framework for viewing the case studies of change in universities presented in subsequent articles. Two dramatically different strategies for effecting change in higher education are presented—organization development (OD) and top management-driven change. How effective is OD-based change in universities? Does top management-driven change offer a more appropriate explanation of change than OD? In this article, readers are asked to consider the different assumptions, purposes, and means for change represented in these two change approaches when reading the case studies that follow.

Keywords: *organization development; higher education; change; theories of change*

The preface poses provocative questions about the need for fundamental change in the purpose and future of higher education. Many universities are responding to the need for change within the traditional paradigms by effecting incremental change through time-honored processes of deliberate reflection, consensus, expansion, contraction, and programmatic reform. But the challenges raised in the preface to higher education's purpose and relevance to societal needs can only be addressed through the transformation of the university. What theories and models can be used to guide our understanding about how transformative change occurs in universities?

This article offers a theoretical framework for viewing the perspectives on change in universities presented in subsequent articles. Two dramatically different strategies for effecting fundamental change in higher education are presented. One is organization development (OD), an approach to effecting planned change that is used in the private sector and, more recently, in public, nonprofit, and independent (volunteer) organizations. The definition of organization development adopted for this issue is that of Cummings and Worley (2005): Organization development is a systemwide application and transfer of behavioral science knowledge to the planned

development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness (p. 1).

The second approach to change discussed in this article is top management-driven change, a change strategy that differs dramatically from the participatory nature of OD. Beer and Nohria (2000) refer to this approach to organizational change as “theory E” change. The authors in this issue adopt Beer and Nohria’s conception of top management-driven change, which is based on 20 years of research, because it is presented in their work as an alternative approach to OD-based change by prominent scholars of organizational change (Beer & Nohria, 2000). OD-based change and top management-driven change (grounded in Beer and Nohria’s theory E) each have been used with success as the dominant strategy for effecting systemic change in organizations. These two approaches to planned change are discussed here to provide a theoretical context for the articles on change in universities that follow.

Organization Development

OD appears to have originated in about 1957 as an attempt to apply some of the values and principles learned from laboratory training to the total organization (French, 1969). The theoretical roots of OD are grounded in human relations training (Bennis, 1963), action research (Kolb, 1960; Lewin, 1951), participative management (Likert, 1967; Mohrman & Ledford, 1985), and strategic change (Jelinek & Litterer, 1988). A dominant influence on the philosophy and methods of OD as it is currently practiced is action research (Lewin, 1951; Rothwell, Sullivan, & McLean, 1995). We adopt action research in OD as a central element of our theoretical framework.

Although it is called *action research*, it is, in essence, an iterative process for problem solving that has become a well established method of OD. Action research is based on the assumption that organizational members themselves should be actively engaged in the process of change (Kolb, 1960). Kurt Lewin and other social scientists in the post-World War II era believed that problem solving must be closely linked to action if organizational members were to use it to initiate and manage change. Action research is based on an iterative cycle of problem identification, clarification, data collection/analysis, and action planning for systemic change (French, 1969). Change occurs as new data are collected and used to guide further change, thus ensuring that action is based on research. Thus, learning from multiple sources to inform subsequent actions is essential to the progress and success of change. In the process, the organization develops its capabilities to identify and solve its own problems. Through action research, the change process is itself an outcome. The organization develops as it improves its capabilities to initiate and manage change.

The action research model is the eight-phase process of entry, start-up, assessment, action planning, intervention(s), evaluation, adoption, and separation. Several versions of the action research model exist—all variations on a core theme that includes common elements such as assessment of readiness for change, contracting, interventions, and institutionalization/evaluation. Readiness for change is assessed to determine the degree to which the client system is ready to invest the time, effort, and resources in long-term, OD-based change (Armenakis, Harris, & Field, 1999; Bernerth, 2004). Contracting, whether formal or informal, is an essential component of all consulting relationships to establish mutual expectations between the client system and the OD consultant for how the change effort will be carried out (Lacey, 1995; Margerison, 1988). Ultimately, both the OD consultant and the client system must explicitly acknowledge the degree to which the organization is ready to engage in OD and how responsibilities for change will be shared between the client and consultant. OD interventions are planned actions and events intended to help an organization improve its performance and effectiveness (Harrison, 1970; Cummings & Worley, 2005). Specific interventions are selected and used based on valid information, free and informed choice by the client, and internal commitment to change (Argyris, 1970). Institutionalization of change involves making a particular change a permanent part of the organization's structures and systems so that the benefits of successful change persist over time. Evaluation addresses the need to provide feedback to the client system about the progress and effect of the change effort (Van de Ven & Ferry, 1985). In short, the purpose of OD is to develop the organization's capability to implement strategy and to learn from actions taken to guide further change (i.e., action research). Widespread participation in the change process is shared among leaders, employees, and the OD consultant.

There are other approaches to planned change in addition to OD. Beer and Nohria (2000) present another approach, top management-driven change, that they refer to as theory E. Theory E change is quite different from the participatory nature of OD.

Top Management-Driven Change

Top management-driven change is an approach to planned change that has as its ultimate purpose the creation of economic value. It is driven from the top with extensive help from consultants, who emphasize the creation of new strategies and structures to effect systemic change. Referred to by Beer and Nohria (2000) as theory E change, this approach has been shaped in different ways for use in a variety of organizations and industries. Top management-driven change typically might begin with the vision or goal of the leader who assumes that he or she is in the best position to know what

change is needed and how it should occur. Top management-driven change loosely follows the traditional medical model for curing illness and disease. Just as a sick patient is expected to follow the physician's directions and prescriptions in order to get well, top leaders are presumed to have the best understanding of the issues and problems confronting the organization and to be in the best position for prescribing the future direction of the organization and the changes needed to get there.

Top management-driven change focuses first on changing strategies, structures, and systems—the “hardware” of the organization. These are the elements that can readily be changed from the top down to yield quick results including better financial performance. Well-established models of organizational design hold that the strategic shifts that contemporary organizations need to make can be accomplished only through the use of powerful managerial levers like structure and systems (Galbraith, 1978). Unlike the emergent nature of OD, top management-driven change is planned and programmatic—change follows a carefully conceived, well-sequenced plan for altering systems and structures toward desired goals. Those who lead change with this approach rely primarily on financial incentives to motivate others. Incentive-driven strategies for change are considered the most effective means for gaining involvement and compliance with change from a theory E perspective.

Top Management-Driven Change and Organization Development-Based Change—Compatible or Contradictory?

Although Beer and Nohria (2000) do not use the terms *organization development* or *OD* and do not provide a description or process for OD per se, it is clear that their characterization of theory O includes OD. OD-based change (grounded in theory O) and top management-driven change (grounded in theory E) each have been used successfully as the dominant strategy for effecting change in organizations. According to Beer and Nohria, these two change approaches represent theories in use by leaders and the consultants who advise them. By “theory in use,” Beer and Nohria mean an implicit theory that one can deduce from examining the strategies for change employed. Beer and Nohria argue that both theories have validity. That is, each of them does promote some objectives that leaders explicitly or implicitly intend to achieve. But each approach to change also has costs, often unintended. The problem that leaders face is resolving the tension between E and O in a way that obtains the benefits of each and minimizes the negative consequences of each. Too often, these theories are mixed without the resolution of the inherent tension between them. This leads, Beer and Nohria argue, to maximization of the costs and minimiza-

TABLE 1: Comparison of Theories E and O of Change

Purpose and Means	Theory E: Top Management-Driven Change	Theory O: Organization Development-Based Change
Leadership	top-down	participative
Purpose	maximize economic value	develop organizational capabilities
Focus	structure and systems	culture and processes
Planning	structured and programmatic	emergent (through cycles of action research)
Locus of responsibility for change	management	organizational members
Assumptions underlying change	top leaders are in the best position to know what change is needed and how it should occur	long-term organization effectiveness is best achieved through developing members' abilities to identify and solve own problems
Motivation	incentives lead in the change process	incentives lag in the change process
Change consultant(s)	knowledge-driven (from large firms)	process-driven (from small firms)

Source: Adapted from Beer and Nohria (2000).

tion of the potential benefits of each theory. The objective, Beer and Nohria argue, should be to integrate these theories and their strategies in a way that resolves the tension between them (see Table 1).

Organization Development for Universities— How Good Is the Fit?

The authors in this issue adopt OD based on the theory and action research methodology discussed in this article as a conceptual framework to guide our understanding of how OD can be used as an approach to planned change in higher education. Against OD we juxtapose top management-driven change based on theory E as an alternative explanation of how change might occur in universities. Although either approach to change ultimately may prove to be a better explanation of change in universities, the purpose of this issue is to explore the use of OD in universities. The authors of this publication have no delusions that we will be able to offer a new, definitive model of change for higher education. Organizational change is a very com-

plex phenomenon that has been studied and modeled by organizational scholars for decades. The stark reality is that, irrespective of the change model used, approximately two thirds of all organizational change efforts fail (Beer, Eisenstat, & Spector, 1990; Kotter, 1995). Michael Beer and John Kotter, both noted scholars of organizational change, discussed the reasons that most change efforts fail. OD may be no more effective as an approach to planned change in universities than top management-driven change or other approaches. Indeed, it is possible that neither approach, as presently conceived, provides a satisfactory explanation of how change occurs in complex university environments. Perhaps a new model of change is needed to better understand and guide the change process in today's unsettled higher education environment.

Given how little we presently know about OD in universities, we invite the reader to reflect on the role that OD plays as an approach to planned change in each of the university cases. How appropriate and effective is OD-based change in the university cases? Some of the case authors have used theories E and O of change as part of their explanations of how change occurs in their institutions. Does top management-driven change (theory E) offer a more appropriate explanation of change than OD? To what degree does change in the university cases resemble either of these approaches to change? We ask readers to consider the different assumptions, purposes, and means for change represented in these two change approaches when reading the seven cases of change in universities presented in this volume.

This issue explores the use of OD through seven case studies of universities that are undergoing significant change. The cases examine institutional change at the University of Nebraska, Cornell University, Rutgers University, Babson College, and two other large research universities—one in the United States and one in the United Kingdom. The issue also includes reflections on universities as learning organizations based on a large land grant university in the United States. The stories about change at each university are told by authors who are intimately involved with the change processes. The authors examine the issues and events at their universities for insights into the key challenges associated with using OD in higher education, how and why OD was initiated, how OD is sustained at the university, and the strategies associated with the ongoing development or failure of OD. When considered collectively, these cases help to illustrate the potential of OD to enhance the effectiveness of planned change in universities. We hope the cases provide new, important insights into how OD can enhance the effectiveness of planned change in universities and perhaps lead to the development of a new model of change to better understand and guide the change process in universities.

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Torraco, R. J. (2005). Organization development: A question of fit for universities. *Advances in Developing Human Resources*, 7(3) 303-310.