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AN ANALYSIS OF CORPORATE ORGANIZATIONAL DEVELOPMENT
EXPERIENCE AND ITS IMPLICATIONS FOR THE FUTURE OF
THE ARMY'S ORGANIZATIONAL EFFECTIVENESS PROGRAM

by

Colonel Donald W. Blascak, MI
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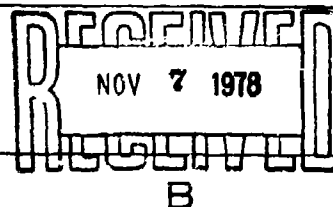
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6
AN ANALYSIS OF CORPORATE ORGANIZATIONAL DEVELOPMENT
EXPERIENCE AND ITS IMPLICATIONS FOR THE FUTURE OF
THE ARMY'S ORGANIZATIONAL EFFECTIVENESS PROGRAM

A GROUP STUDY PROJECT

10 by

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PREFACE

This Study Group Project was produced under the aegis of the US Army War College Department of Command and Management. The scope and general method were designed by the authors and approved by the department. The research paper is designed to update the Army's knowledge of the state of the art in selected corporate experience in Organizational Development and to compare that experience with the Army's present process. From the comparison, conclusions are drawn and recommendations regarding the Army process are made. The three authors of the study elected to participate based on prior experience and/or interest in the field. The cooperation, help, assistance and encouragement of the many personnel within the Department of the Army, the Army Staff and the representatives of the corporations contacted and visited are gratefully acknowledged.

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage, than the creation of a new system, for the initiator has the enmity of all who would profit by the preservation of the old institution and merely the lukewarm defenders in those who would gain by the new ones."

Machiavelli, 1513

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CHAPTER I

INTRODUCTION

PURPOSE

The purpose of this study is to analyze the status of Organizational Development (OD) activities in selected industrial organizations, to compare those activities with the Army's Organizational Effectiveness (OE) program, and to deduce some lessons which might be valid as predictors of the direction the Army's OE program should follow in the future. The authors of this report hoped to accomplish three things:

a. Analyze the experiences of large organizations which have been participating in organizational development many years longer than the Army, and thereby identify techniques or problems that the Army should either emulate or avoid.

b. Determine the progress made by certain industrial organizations which were visited in the conduct of the initial 1971 study which introduced OD to the Army.

c. Provide some recommendations to Army policy makers as to the future directions the Army's OE program should take.

This study was conducted by three officers with different perspectives and experiences with Organizational Effectiveness. One officer has had extensive involvement in the development of the Army's OE program since its inception, another was a user of OE as a battalion commander and subsequently developed an interest in further study of

this subject, while the third officer has an Operations Research background and brought an analytical perspective to the study. The validity of this effort, we believe, was enhanced by the diverse backgrounds and previous exposures to OD/OE of the participants. A significant benefit of the study in the eyes of the participants was the opportunity to learn firsthand of OD techniques used in other large organizations.

SETTING THE STAGE

In order to set the stage for this study it will be useful to briefly examine how the Army's OE effort began in 1971. If the reader will recall, 1971 was a time of crisis in the Army. Beset by unrest in the lower ranks, drug abuse, racial problems and an unpopular war, the senior Army leadership was confronted with the requirement to create a volunteer Army. A series of programs and studies were initiated designed to improve the status of the Army. One of the studies entitled Behavioral Science Study,¹ examined the Army's use of behavioral science principles and techniques in the leadership and management of the Army and recommended that five test projects be developed to test some of the newer concepts on selected Army installations. One of the five test projects was a test of OD in two Army organizations, MILPERCEN and Fort Ord, California. These projects were approved by the Chief and Vice Chief of Staff of the Army and implemented over the next three years. Due to the fortuitous support by key senior officers, specifically General Bernard Rogers during his tenure as DCSPER, DA, FORSCOM CG,

and Chief of Staff of the Army, Lieutenant General Harold Moore as CG, Ft. Ord, CG MILPERCEN, and DCSPER and Lieutenant General Robert Gard as CG Fort Ord, and CG MILPERCEN and the serendipitous manner in which these officers followed each other as the senior personnel managers of the Army, the program endured to attain its present form. Although many other significant events and individuals have interplayed in the development of the Army's current OE program two additional events are of direct relevance to this study. These are the establishment of the OE Training Center (OETC) at Ft. Ord, California in 1975 and the establishment by the Chief of Staff in November 1976 of a study group to determine the best method to institutionalize OE in the Army.² That study, which was completed in April 1977, focused on the OE program, that is, the development of a structure to carry out OE, the management of OE, and the strategy for gaining acceptance of the program, to include identification of certain Army-wide educational requirements. The 1977 study was meant to meet the requirements at the time, which were to inject the OE program into the Army management structure and its educational system. The nature of the OE process, that is, what the OESOs do, and the direction that process should take was left for further study. The OETC is of importance because, although it did not have much influence in shaping the OE program, by the nature of its task--the training of OESOs--it has had the key functional role in shaping the OE process.

This brief historical synopsis is important and relevant to the current study for a number of reasons. First, the rationale used in

1971 in visiting civilian organizations was again used in this Army War College study. That rationale, which was valid in 1971, was that large organizations by the nature of their size, workforce and bureaucratic nature have certain similarities, and that innovative solutions to problems in one organization may well be applicable to other organizations if the solutions are tailored to the specific organization. Secondly, it is important to realize that the unusual birth of OE in the Army (a program implemented initially by fiat by General Westmoreland and subsequently kept alive by the small group of senior officers mentioned earlier) has created both opportunities and problems for the OE program. Although under the circumstances then existing, there was no practical way of bringing this program into fruition other than by fiat, resistance to new ideas tend to be strengthened by the approach used. That approach has been one of the contributing factors to the resistance to OE evidenced in the Army officer corps.

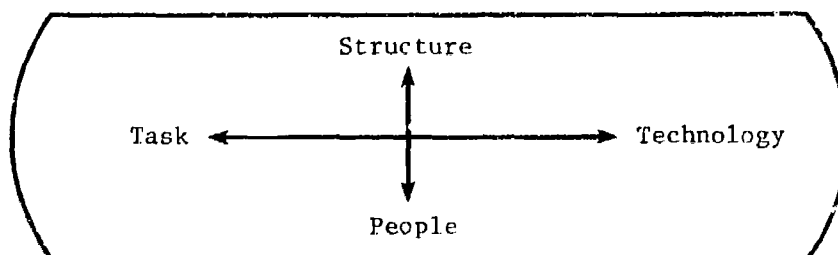
The reader should be aware that this study is being written with a specific group of readers in mind. It is hoped that the study results will be helpful in crystallizing the views of policy makers in the OE community from the Chief of Staff to the Commander of OETC as they shape the future of OE in the Army. Because we know that this target audience is highly knowledgeable on many of the issues discussed in this study, we have not felt it necessary to define terms or write extensively of past events. Let it suffice for us to once again mention that this study differentiates between OE as a program and OE as a process. The program portion is that which is managed by sources outside

the OESO, while the process is what the OESO does with a client and how he does it. Clearly overlap exists, however, the distinction between process and program is a useful one in developing this study.

ORGANIZATIONAL DIFFERENCES AND SIMILARITIES

Since this study is partially based on data gained from civilian academicians and industrial organizations it is important to acknowledge the differences and similarities of their organizations to the Army. The authors of this study are sensitive to the perception of many that the Army is a unique institution and that, therefore, there is little we can transfer from civilian management to Army leadership. There are, however, similarities as well as differences and a brief organizational analysis will highlight both sides of the issue. A useful model for this analysis is Harold Leavitt's organizational model which describes organizations as being composed of people, structure, technology and a task, all of which function within a given external environment.³

External Environment



In order to consider all four of these dimensions let's begin with the task. Clearly the task of national defense is different than that of producing automobiles, and motivation for combat is different than motivation for assembly-line production. However if one breaks down the tasks into sub-elements many similarities appear. In both military and civilian organizations there are many common sub-tasks which contribute to the attainment of their overall objective. These include such things as maintenance, data processing, planning for the future, communications, logistical support, etc. As the level of abstraction is reduced from single global tasks such as national defense into the discrete components of that task the degree of similarity between the Army and other large organizations is seen to increase.

In terms of structure both the Army and the industrial organizations we visited are large bureaucracies. The purposes and functions of bureaucracies have long been recognized as being similar, regardless of task. (Specialization, a hierarchy of authority, a system of rules, and impersonality are the basic characteristics of bureaucratic organizations.⁴) Although in our visits it was evident that many of the industrial organizations were more decentralized than the Army, there is, interestingly, an apparent trend toward centralization in many of these organizations, perhaps as a result of increasing federal pressures.

Technology is often the same in both organizations. Although General Motors does not use tanks, it has built them for the Army. The

Army's research and development is often carried on by the organizations we visited and our equipment is purchased from some of them. Again if we analyze the sub-tasks inherent in the different missions much of the technology used is the same. It is used to different purposes, as we acknowledge, and that creates differences; however, many of the problems associated with technology are similar.

The people area is a key component. It is here that many individuals would say that the Army is unlike any other organization. There is a great deal of truth in that. The requirements we impose on people are different. The concepts of management of violence and unlimited liability (the responsibility on the individual to die for his country, if necessary) create different demands on the people and the organization. However, in this key area there are also many similarities. For example, the incoming new employees of both military and civilian organizations come from a common pool and to a great degree share common values. In both types of organizations people want generally the same outcomes, e.g., interesting work, sense of accomplishment, security, and an opportunity for advancement. The external environment which determines those desired outcomes may well be more important in determining how those individuals are motivated than different personnel systems or organizational demands.

The above brief and admittedly simple analysis does not intend to play down the real differences that exist. In reality one organization's solutions to its problems are seldom directly applicable to another. However, intelligent consideration of one organization's approach to

problem solving may be useful to another organization. That is, in effect, our basic view.

METHODOLOGY

The methodology of this study was basically that of seeking information from OD experts in academic, industrial and military organizations and, based on information gained, inductively developing conclusions and recommendations for considerations by Army policy makers. To initiate our study a search of the relevant management and organizational development literature was conducted. The next chapter summarizes our findings from that search. Additionally, letters were written to selected noted academicians and practitioners of Organizational Development throughout the United States. Annex 3 lists the individuals and organizations from whom initial data was solicited. Based on the responses to the letters and on criteria discussed below certain organizations and two academic institutions were selected to be visited. Visits were made to Case Western Reserve University and to the Institute for Social Research at the University of Michigan. Among others contacted or visited were American Telephone and Telegraph, Exxon, Connecticut General Insurance, Consolidated Edison, General Motors, Dow Chemical, Saga Corporation, Proctor and Gamble, Shell, and Texas Instruments. A visit was also made to the Army Research Institute and to the OE Training Center. Additionally, one member of the study group participated in a two-day OD instructional workshop entitled OD-78. During the study periodic contact was made with selected members of the Army

OE community. A questionnaire (Annex 4) was also developed for mailing to the two hundred leading corporations in the US asking numerous questions about OD efforts in their corporations. Unfortunately, constraints imposed outside of the Department of the Army precluded the use of the instrument.

The two academic institutions visited were selected because of their long involvement with Organizational Development activities and because of their outstanding reputation in the field. In both cases they are considered among the leading universities doing OD research in the country today. In both cases the personnel visited were extremely helpful and forthright in their discussions, enabling us to meet with some of the leading authorities in the area of OD.

The criterion for the selection of the organizations visited was somewhat more complex. Since this study deals with OD and OE in the future we chose organizations with a long history of involvement in OD efforts. We also desired a variety of organizations which were different as to task, structure, and size (although they were all large in their particular field). The range selected varied from telecommunications, to automotive, retail, chemicals, energy, electronics, and food processing. They vary in size from 25,000 to nearly one million. In the case of Consolidated Edison, the company was selected because it is a highly regulated organization which, to some degree, resembles a non-profit governmental agency.

As mentioned earlier it was also our intent to visit some of the corporations visited in conjunction with the 1971 study. To fulfill

this requirement we visited a telecommunications corporation, General Motors, Dow Chemical and Sears. Lastly we selected organizations that had a reputation within the civilian OD community as being either very active or long-term supporters of OD type activities. The results of these visits comprise a major portion of this study and are discussed in Chapter IV.

One last introductory comment might be useful in placing this study in perspective. During the fall of 1977 the Chief of Staff of the Army commissioned a study group to project what the Army of the 1985-1995 time period will be like, and to analyze the environment in which that Army will more than likely exist.⁵ In studying the human component of that Army the study group stated that Army members, reflecting the societal values of that time will be more demanding of individual rights and prerogatives, will have multiple careers and interests, and will demand more flexibility in career assignments. The study further states, "The Army of 1995 will have institutionalized Organizational Effectiveness as a modus operandi, primarily because its underlying philosophy is congruent with the natural drives of the people who will constitute the population of the Army and will serve the needs for integration of competing demands at departmental level, unit efficiency, and troop satisfaction."⁶ Our study can assist Army policy makers in ensuring that that preview of the capabilities of OE come true.

CHAPTER I

FOOTNOTES

1. Office of the Special Assistant for the Modern Volunteer Army, Behavioral Science Study: Executive Summary and Main Body.
2. Ramon A. Nadal, William E. Duey, Roy Ray, and Fred W. Schaum, Organizational Effectiveness in the US Army (Final Report), July 1977.
3. Harold Leavitt, The Organizational World (New York: Harcourt-Brace-Javanovitch, Inc., 1973), p. 9.
4. Peter M. Blau and M. W. Meyer, Bureaucracy in Modern Society (New York: Random House, 1971), p. 9.
5. Report of the Department of the Army Study Group, Army Environment 1985-1995 Study, 1966, p. 63.
6. Ibid.

CHAPTER II

LITERATURE SEARCH

To begin the study and to determine the state of the art, an exhaustive literature search of the Army War College library was conducted. This was supplemented by literature obtained from several other sources including practitioners and instructors. As we mentioned earlier, the literature search was further supplemented by a visit to Case Western Reserve University and the University of Michigan's Institute for Social Research.

As stated above, this portion of the study was undertaken primarily to educate the team members but also to identify any indication of future trends. By way of focusing the effort of the literature search several key questions were identified, the answers to which developed specific data requirements. These questions, listed below, will be discussed in detail in subsequent sections. Some additional relevant findings will also be discussed.

- . What is the role of OD in the general area of management and management development?
- . Why is an OD program instituted?
- . What is the rationale for external vs. internal consultants?
- . What OD interventions or techniques seem to have the greatest utilization and acceptability?
- . How are results of an OD program evaluated?

. What peculiar problems might be encountered in developing an OD program in a bureaucracy?

OD AND MANAGEMENT

Before we address more specific findings, let us first define OD for our purposes. There are virtually as many definitions of OD as there are people interested in the subject. We will not attempt to create an original definition but merely identify what appears to be the significant commonalities and from this develop an appreciation of what OD does and consequently where it might fit.

Clayton P. Alderfer, writing in the Annual Review of Psychology, defined OD as being "aimed toward improving the quality of life for members of human systems and increasing the institutional effectiveness of those systems."¹ Another definition is provided by Anthony P. Raia in the California Management Review in which he identified OD as "ways in which organizations can better adapt to the challenges of a modern society; with its new values, new technologies, and increasing rate of change."² Finally, in Personnel Magazine, Robert Frame and Fred Luthans saw OD as involving "a reorientation of management thinking and behavior."³ A definition broader in scope is provided by Michael E. McGill in his book, Organizational Development for Operating Managers, when he used the following three questions an organizational body must answer, "Where are we?" "Where do we want to be?" "How do we get from where we are to where we want to be?"⁴ Using only these four definitions as proxies for the many that exist it becomes fairly

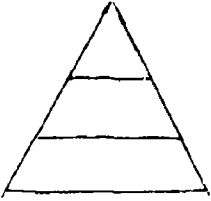
obvious that OD is a management tool or at least must be viewed as being subsumed within general management responsibility.

Further support for this attitude was provided by Dr. Suresh Srivastva, Chairman of the Department of Organizational Behavior at Case Western. When asked where was OD headed he replied, "OD should not be headed anyplace--by itself." As a behaviorist he felt he would not be content until the philosophy behind OD techniques and processes became second nature to managers, and the ability to blend changing human values with organizational goals and objectives became an inherent part of their management style. The reader will be able to recognize, as Dr. Srivastva was quick to admit, that this is an extremely long range goal. It does, however, clearly place OD in the realm of management and development. Before going any further, it will be helpful to explore the potential mapping of management theory and the technology of OD.

Most management systems are generally viewed in terms of three subsystems--the strategic, coordinative, and operating subsystems (Kast and Rosenzweig), or the institutional, managerial, and technical subsystems (Parsons and Thompson). Although the names applied to the three subsystems may vary slightly, the functions of the three are virtually identical. One subsystem, the strategic or institutional, relates the organization to its environment and attempts to define its place now and in the future. The managerial or coordinative subsystems translate strategic plans into action programs and generally address problems related to acquiring inputs and disposing of outputs. The

last subsystem, technical or operating, generally encompasses those technical activities that translate input into output. A more simplified division of the model could be described as upper management, middle management, and workers (or soldiers in the case of the Army).

If we relate the OD or OE techniques to the level of the organization as mentioned above we see that a relationship exists between the techniques and the levels at which they are employed. (In Chapter III, when discussing the Army's OE program, a more detailed description of those relations will be considered.) As can be seen from the model below we have chosen to view OD technology as three major intervention strategies which we have defined as the strategic, the processual, and the socio-technical, and we have related them to the management levels at which they are employed. Although no formal subdivision corresponding to this three-tiered division could be found in the literature, it does roughly match the taxonomy of OD techniques developed at the University of Michigan which will be covered in some length in a subsequent section of this chapter.

<u>Study Interventions</u>		<u>Simplified Version</u>	<u>Kast and Rosenzweig</u>	<u>Parsons & Thompson</u>
Strategic		Upper Management	Strategic	Institutional
Processual		Middle Management	Coordinative	Managerial
Socio-Technical		Workers/Soldiers	Operating	Technical

Strategic intervention is the use of techniques and concepts to do long range planning, to establish future goals, and to determine strategies to attain those goals, and to take into account principals of organizational and individual behavior. Processual includes those techniques aimed at improving how people work together as team members, the human processes such as communications, intergroup cooperation and competition, conflicts and their resolution, et al. Activities that deal with the interface between the person and his task including job enrichment and job redesign are the socio-technical interventions.

The division of these techniques into three major interventions corresponding to three levels of management is not meant to infer that there is no cross over between them. Some will be applicable throughout all three levels. For example, a team building session could have as much applicability among the strategic planners as among the production workers. On the other hand it is doubtful that there would be much use of any socio-technical techniques at the top organizational level.

WHY OD

This section addresses the question of why organizations become involved in OD activities. As was pointed out in the previous chapter, organizations exist within an external environment. Most organizational models also include the thesis that equally important is their internal environment and that both environments exert pressures upon the organization with which it must be prepared to cope. There does

not appear to be any consensus, however, as to which environmental pressure dominates when determining why organizations begin an OD program.

Examples of both types of pressures abound. Organizational loyalty and dependency have been decreased by greater specialization and professionalization, higher education levels, and the ease of job mobility,⁵ thus creating internal pressures manifested in several ways ranging from unionization to greater concern for leisure time (rather than working overtime to meet a production schedule, for example).

Pressures exerted by the external environment come from government legislation (equal opportunity and affirmative action planning), changing social values (concern for environmental protection), and the changing values of the workforce. As was pointed out in the Army Environment 1985-1995 study, the Army can expect these changes to continue.⁶ These pressures have caused managerial behavior to change in order to ensure that the organization remains viable. Not all change in managerial behavior has had the beneficial effect that might have been anticipated; some of the change has been maladaptive and generally has had the effect of increasing the internal pressure which it was hoped would be alleviated. In a general sense then, OD programs have been implemented in response to some organizational crisis brought on by numerous societal and value changes and to which certain managerial behavior style was unable to adapt. These maladaptive styles have been grouped into three broad categories described below.⁷

The first category of behavior is one which is oriented toward the past rather than the future. This is a style which refuses (or is unable) to recognize and accept change. Policy, process, and technology are slow to change; decisions are made on intuition rather than available evidence; and present performance and conduct is related to obsolete parameters. This style is generally evidenced by each problem solving experience beginning with ". . . when I was a foreman (or plant manager or district manager, or company commander)."

The second style of behavior is one that recognizes more obligation to ritual and form than to the challenge of current problems. In this instance the manager doesn't make waves and believes that as long as the procedure is followed the outcome must be right. It doesn't make any difference that the procedure is antiquated or that some other elements of the system have changed or been changed. This manager's approach to problem solving is to refuse to recognize a problem. His approach is "After all we've always done it like that and aren't we successful?"

The last category is the behavior that demonstrates misplaced loyalty. This manager's perspective is limited to what is best for the personnel division (or comptroller or supply) rather than what is best for the company; the company objectives are subjugated to division goals.

One other aspect of the environment leading to crises is one which some behaviorists have categorized as the counter-industrial mind set.⁸ It can manifest itself either internally or externally

but is evidenced by behavior that reflects alienation, boredom, and job dissatisfaction. People no longer perceive themselves as an extension of a machine or merely another element in the industrial production process. Rising expectations, declining faith in historical institutions (such as church and government) combine with this behavior and the result is absenteeism, high error rate and poor quality control, on the job alcoholism, and increased personnel turbulence caused by excessive turnover. In its extreme this combination could result in complete work stoppage or industrial sabotage.

It is in developing management styles and practices that recognize these changing social values and aligning organizational goals with them that OD appears to have realized its greatest utility.

CONSULTANTS

A perennial issue in the OD literature revolves around the use of external or internal consultants. Such factors as cost, training or expertise, immediacy of the need, scope of the problem, credibility, organizational complexity and culture, all must be weighed when deciding to rely on an external consultant or to develop an internal resource.⁹ It is probably unnecessary to say that in many cases the use of both internal and external resources would be advisable.

An external consultant has the principal advantage of objectivity.¹⁰ He can often see blockages to effective operation that are so much a part of the organizational culture that an insider would not recognize them for what they really are. The credibility of an external

consultant generally is greater for two reasons. One, if carefully selected he will be accepted as an "expert." Secondly, he is less likely to be challenged for having some vested interest and can exert influence across organizational boundaries. A last advantage is that an external resource could generally expect to enjoy greater freedom of activity--he is not subject to the organizational reward (or punishment) system and therefore can afford to be more of a risk taker in tampering with organizational "sacred cows."

Internal consultants, on the other hand, also offer advantages. They are already familiar with the organizational structure and processes and when called upon for assistance could be expected to become productive without time lost in learning culture, value, and norms, as would be required with an external source.¹¹ Organizational development is not "a quick fix." ". . . Various experts claim that, as a rule-of-thumb, it takes three to five years before an OD effort fully takes hold and changes a work culture."¹² An internal resource would be available during this time on a full-time basis whereas an external consultant's attention would tend to be only temporary or sporadic. The advantage of an internal consultant staying abreast of potential problems must be balanced against the potentiality of that consultant becoming too narrow in his focus and lacking the wide spectrum of approaches that may be available in an external resource.

It is generally agreed that even if an internal capability is developed within an organization a continuing need will exist for the

external resource, who with his expertise and credentials should have easier access to the Board Room.

The importance of the OD consultant having access to the chief executive officer or the board of directors cannot be overemphasized. A common thread in all the literature relevant to successful OD programs is the requirement for the tone to be set by the highest levels of management, and set by practice not by policy. Patten and Vaill in their latest book questioned "How do initiatives for change 'cascade' through the system?"¹³ The notion of change, particularly as it relates to OD initiatives, starting at the top and spreading down through the structure of the organization is striking in its universality. At first reading this "cascading" effect may seem trivial, after all it is virtually dogma that leaders set the example. Why then should the subject require further discussion?

In his research into characteristics of chief executive officers (CEOs), Chris Argyris, not surprisingly found that they were articulate, persuasive, and competitive.¹⁴ As a group they also espouse personal growth, trust and risk taking by their subordinates. Although they are highly competitive their actions unconsciously encourage conformity among subordinates, i.e., they unconsciously discourage risk takers. Although the CEO's advocate subordinates speaking out, which they see as important to their management style, their own actions force subordinates to measure their actions (speaking out) in a win-lose context. The subordinate's dilemma is to determine the fine line between speaking his mind and risking his neck.

From the above, the importance of access to the Board Room or the top levels of management by the OD consultant becomes obvious. Behavior perceived as leading to success is imitated. Regardless of the stated policy "It is his (the CEO's) behavior (and subsequently that of other officers) that ultimately does or does not confirm the idea that organizational development is necessary, credible, and inexorably linked to his leadership style."¹⁵ In other words, OD cannot be "for those managers out there." It must begin at the top and be evidenced in the management style of the top officers of the organization. Whether an internal consultant is capable of influencing style at that level must be answered by the potential decision maker; however, it seems clear that this role could be fulfilled better by an external resource.

INTERVENTIONS

The literature on the subject of OD contains many developmental techniques or interventions. After developing several lists and comparing definitions and purposes we have selected a taxonomy derived for the most part from a listing prepared by Dr. David Bowers and Associates at the Institute for Social Research (ISR), University of Michigan.¹⁶

The taxonomy developed at ISR categorizes the techniques according to which of three areas--information, skill, or environment--the technique was most likely to produce the most direct and immediate results. To be consistent with the three levels of OD defined earlier

in this chapter we have made some minor modifications to the listing and have categorized the techniques into only two of the subsystems--the processual and the socio-technical. None have been categorized as strategic since by our definition strategic OD is not so much the application of any technique but a philosophical approach to long range planning that recognizes that people and organizations change and that this fact must be accommodated. As was alluded to earlier in this chapter any one of the techniques listed could be applicable in the strategic application. For example, survey feedback has been listed as processual, which we believe it is, but the information received from surveys could very well be used in long range planning also.

In fairness to the reader and the ISR staff we must point out that we have exercised some license in deleting several of the techniques that we believe have very little potential application for Army use.

PROCESSUAL

According to the two groupings previously mentioned, the interventions are listed below. The first set of interventions and their definitions are in the processual area. They are:

Client-Centered Counseling. A one-on-one intervention designed primarily for individual growth. The OD consultant assists the client in establishing goals and directions for change. A lengthy process.

Concepts Training. Learning experiences designed to familiarize individuals with concepts relevant to organizational functioning. Although generally implemented as part of a larger planned OD effort, concepts training can be viewed as management training. Subjects usually covered are leadership, communications, decision making, influence, et al.

Laboratory Training. Often generalized as sensitivity training because of its four broad objectives: self insight or knowledge, group functioning, interpersonal operations in groups, and developing skills for diagnosing individual, group and organizational behavior.

Management by Objectives. Aimed at matching individual capabilities and organizational goals. Individual responsibilities are determined a priori, then assessed periodically.

Management Seminars. Similar to concepts training except generally more specific and oriented toward some specific aspect of management.

Managerial Grid Organizational Development. Teaches managers the skills required to effect planned change. Extremely long term program.

Merger Laboratory. Designed to resolve detrimental conflict between two sub-elements of an organization. The outcome is expected to be improved intergroup working relationships and consequently greater overall organizational effectiveness.

Process Consultation. Concentrates on human processes such as communications, leadership, authority, cooperation, and competition, and how to understand and act upon them. The goal is for clients to be able to do for themselves. Length of time required varies but

generally requires intensive participation for a period of up to a month.

Survey Feedback. Consists of collection, analysis, and interpretation of data concerning the organization and its members. This process provides the basis for any alteration of the organizational structure and the members work environment.

Survey-Guided Development. An extension of survey feedback, in that action is taken on the interpretation of the data, intermediate assessments of those actions in the affected sub-systems are made, and finally an organization-wide reassessment is made. At this point the cycle could end or be repeated depending upon the results of the reassessment and the state of organizational functioning. This technique really requires a lengthy period--several months to several years depending upon the size of the organization.

Team Development. Concentrates on improving interactions between members of a work team--usually a supervisor and his immediate subordinates. This technique generally concentrates on one or more of the following team dimensions--role clarification, goal setting, mutual support, trust, communications, conflict resolution, skill recognition or development, and leadership behavior.

Third Party Consultation. Can be thought of as a specialized form of team development in that its most usual application is resolution of interpersonal conflict, usually only involving the two parties in conflict and the consultant.

SOCIO-TECHNICAL

The second set of interventions are socio-technical in nature.

They are:

Decentralization. Usually implemented when an organization becomes cumbersome. Aims at increasing flexibility and creation of smaller decision centers in order to permit closer goal identification.

Differentiation/Integration. In its simplest terms this technique could be viewed as team development on a grand scale. It involves identifying the difference in orientation among managers (differentiation) and the collaboration required to obtain unity of effort (integration) and obtaining the proper levels of each.

Flow of Work. Work flow structure is examined to improve performance by insuring tasks relate to one another. Generally associated with production rather than managerial tasks.

Job Enrichment. Attempts to restructure job content to maximize its challenging aspects and increase a worker's sense of accomplishment. Generally requires a high level of expertise in the areas of individual motivation and detailed knowledge of the structure of the job related tasks.

Leadership-Situation Engineering. A technique that focuses on matching situations and styles. Presumes sufficient flexibility in defining the dimensions of the position to fit a particular style or that the leader candidate can be taught to adapt style to varying situations.

Scanlon Plan. The technique derived from a plan to develop cooperation between union and management to improve efficiency. Generally consists of job improvement suggestions rising to top management through a system of "vertical slice" meetings. Notionally, increased job efficiency is an intimate part of each job.

Scientific Management. Generally encompasses the technical aspect of job execution. Most usually referred to as time-motion techniques. Concentrates on the "best way" to do a job. Not to be confused with socio-technical fit discussed below.

Socio-Technical Fit. The term associated with the concept of a group being assigned a meaningful task, responsibility for its accomplishment, and satisfactory interpersonal relationships while performing the task. Application of this technique requires a high degree of expertise.

Structural Change. Aimed at optimization of performance through optimization of structure. Investigates such areas as span of control and overlap of responsibilities and authority.

EVALUATION

In both the review of the literature and the academic interviews conducted one theme concerning the evaluation of OD efforts came through most clearly--a requirement to evaluate the results. Unfortunately it also became clear that it is the area in which the least has been accomplished. This is not meant as a blanket condemnation of the OD practitioners but a recognition that a serious gap exists in the technology.

In the classic sense of a cost-benefit analysis woefully little has been done. Similarly in the less rigorous field of cost-effectiveness, where effectiveness is the subjective evaluation of a client, the results are only marginally better. In fairness to the OD community we must point out that there has been almost no requirement for any rigor in evaluating the programs.

This shortcoming is attributed to two principal facts. In many cases the emphasis of the majority of OD techniques has been in the area of mid-management where processual interventions are used, not in the strategic planning or socio-technical interventions. It is in the mid-management area that value added is most difficult to measure. Who can identify the value of the second level supervisor in the personnel department? A most difficult measurement! On the other hand, corporations have gone bankrupt or suffered severe financial setbacks for failure to foresee changing customer demands or to properly interpret them (the Ford Edsel, for example). By the same token severe financial setbacks are incurred repeatedly every year by manufacturers whose products are assembled incorrectly or with faulty parts.

Improvement in the areas typified by the latter two examples could be more easily quantified but would also require the greatest deal of expertise to successfully treat. Consequently, it appears that past practitioners have been able to be satisfied with a feeling that something good happened or received a letter of appreciation from a mid-level executive who experienced the same "feeling." The time when this

will carry the program, however, appears to be over. In times of economic recession programs that produce no more than "warm feelings" are among the first to be curtailed or eliminated.

It is not the intent of this report to suggest a methodology for evaluating OD programs. Rather to emphasize, or more accurately, reemphasize, the requirement for stringent evaluation, and to advance for consideration some thoughts on the subject. On an idealistic plain, the purist would undertake to correct faults wherever they occur. Priority for treatment of these ills could be determined according to some preordained rules and the evaluative problem might or might not be addressed. An equally compelling argument could be made for selecting those projects that appear to have the greatest potential payoff. One half of this dichotomy is summarized in the following statement. ". . . OD functions should work with the relatively healthy parts of the organization first rather than with the lost causes."¹⁷

Regardless of which priority decision rule is advocated it seems clear that the starting point of any evaluation must be an absolute identification of the perceived state of being and a fairly well defined preferred state of being. In other words, the OD practitioner must be disciplined enough to ask at the outset "What is wrong with the organization?" and "Where do I want it to be?" Answering these questions provides the basis for evaluation. The translation into dollars of the OD practitioners efforts to correct that discrepancy has been the cause of considerable effort and

frustration. If it is in the area of mid-management improvement that the real requirement for evaluation exists then the effort to quantify results in that area must be made. If the management improvement is not valued highly enough to undertake the required analysis then perhaps the effort is misplaced.

Perhaps "greater payoff," at least measurable payoff, is to be realized in production centers, improving the socio-technical fit or implementing a job enrichment technique.

An unknown author once said that the greatest waste of time is casting about after fads; constantly jumping from one bandwagon to another, mindlessly switching from one technique or approach without ever taking time to evaluate what has been accomplished. Such is the history of OD, to date.

As a concluding thought it must be recognized that indeed the evaluation results may not be quantifiable and linkages to costs and benefits that do not exist should not be attempted. We may be forced to be satisfied with a manager's opinion that his organization is working better or more smoothly. Sometime this sensing of the organizational well-being may be the only evaluation necessary or possible. After all in many cases it will be more than that same manager's sensing that something is wrong that will cause the introduction of the OD program in the first place.

In those documented cases where the evaluation has been translated into pecuniary results, the effort has invariably been in industries with an emphasis on the production of goods rather than

services. It is easier to measure change in the error rate on an automotive assembly line for example, than to measure the improvement in the service one receives in a restaurant.

OD IN A BUREAUCRACY

Since the ultimate purpose of this study is to investigate the future of OD in the Army, it makes sense to explore the semi-specialized field of OD in a bureaucracy since the Army is in the view of many the ultimate bureaucracy. Bureaucracies are characterized by "pyramidal authority, downward communications, a workforce largely employed on routine functions, and the specialization of labor."¹⁸ Anyone who questions the applicability of this definition to the Army has only to ask themselves about the routine structure of Army organization--four squads in a platoon, four platoons to a company, four (or five) companies to a battalion (pyramidal authority); or the chain of command by which every soldier can trace the flow of authority and communications from himself to the President (downward communication); or military occupational specialties (MOS), additional skill identifiers (ASI), MOS prefixes and suffixes (routine functions and specialization) to be convinced of its fit.

Within the literature available on the subject there seems to be consensus that the application of OD in such an environment remains valid but does require cognizance of several differences. It is convenient, and not invalid, to consider these differences in the same way the private sector differs from the public sector. In fact, the

analogy is very appropriate in that most of the bureaucracies exist in the public sector.

For sake of this discussion we will address only some of these differences--goal identification, the reward systems, constituency, and product identification.

Goal identification in the private sector is clear-profit maximization. An argument is possible that the profit may be pecuniary or non-pecuniary (goodwill, for example) but nonetheless, easily and clearly identified. And in the pecuniary aspects the goal attainment is easily measured. In the public sector however, "doing good" may be as specifically as the organizational goal may be described. Questions must be asked such as what constitutes good education, adequate police and fire protection, or in the Army's case what constitutes adequate national defense. In the area of national defense some would argue that we never have enough defense, while others might argue that inasmuch as we weren't attacked last year there is no requirement to spend any more this year. Although many of the tasks and sub-tasks may be similar, as was pointed out in Chapter I, the problem of a clearly defined and mutually understood goal does exist.

In the area of reward systems both the formal and informal systems tend to be different in the public sector than in the private. Within a bureaucracy rewards seem to be oriented toward the scope of a person's supervision (how many people do you have working for you) rather than toward how well supervision is carried out. An employee's pay is determined by his grade, not necessarily the responsibility of his

position. Regardless of how well someone performs a job they cannot be rewarded monetarily (a promotion) unless they have been with the organization or at the present level for some specified period of time. The implication here is that change will be slow to occur and will in all probability meet with resistance, and risk taking at higher levels of the structure will not be readily apparent.

The private sector member has no problem identifying who makes up his constituency--the people who consume his product. If you don't buy what I sell I really don't have much motivation to listen or react to what you are telling me. In the simplest terms there are clearly identifiable comments that count and there are those that don't. In the public sector the constituency is as vague as are the goals. Is the constituency the Congress? The people of the country? The members of the organization? Other departments of government? Lower levels of government? The question becomes even more complex in that if you are able to determine which of these are your real constituents, you are faced with the reality that most are subject to change every election day.

Product identification is very similar to the problems of goal identification. An assembly line worker can see the effect on the final product his piece contributes, as a waitress in a restaurant can see the contribution she makes toward a good meal. The connection between "shuffling papers" and quality education may not be so obvious. Nor is the linkage between scrubbing a tank that has never been used in anger and national defense very apparent.

That bureaucracies provide fertile ground for the OD practitioner should not be in doubt. That the challenges are different should similarly not be in doubt. The unique position of these organizations is best summarized by Leonard Goodstein of Arizona State when he described their predicament this way, "No one seems to love either bureaucracy or bureaucrats and that system is under continual attack, even among those who see increase of government as both necessary and inevitable."

CHAPTER II

FOOTNOTES

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CHAPTER III

THE ARMY'S PROGRAM

As mentioned earlier, the focus of this study is on the OE process, not the OE program. Since the key component of the OE process is the OESO, this chapter is organized along what might be termed the life cycle of an OESO, i.e., selection, training, activities, acceptance, and other key issues. Some overlap into the OE program is unavoidable inasmuch as the OE program affects what the OESO does. Where overlap occurs we will discuss the OE program.

SELECTION

To analyze the activities of an OESO, we start with his selection for the job. Since the inception of the OE program, careful attention has been paid to the fact that, if the program were to succeed, high quality, credible individuals would have to be selected for the job. To the best ability of the Army, using current personnel management methods, this has been done. Promotion success rates and other criterion measures indicate that good officers are being selected and that OE duty is not apparently a detriment to their careers. Careful selection of OESOs clearly has much to do with whatever success OE has met in the Army to date. Experience indicates, however, that successful OD consultants habitually meet three criteria: they have had management (command) experience, they have had adequate education, and they are able to relate well to people. The Army's selection

process and the training at OETC insure that the first two criteria are met; the third criteria, however, may or may not be met since analysis of an individual's personnel file will seldom reveal much valid data as to a person's interpersonal competence or adaptability in practicing a new role.

Doing OE work is an intensely interpersonal task. The success or failure of the program literally hangs on the ability of the OESO to sell himself and his services throughout his unit and on how, in very demanding and stressful interpersonal confrontations, he can resolve interpersonal or interorganizational conflict. The essence of OE or OD is the ability to resolve conflict and conflict exists within people. Yet, the current Army selection system for OESO does not account effectively for the requirement to possess interpersonal skills. It implies that success in command and appropriate education is a measure of adequate interpersonal skill. There are better ways of selecting individuals that should be incorporated in the OE program. The same science that gave us OD and OE has developed the skill of assessing individuals and matching them with jobs. The importance of improving the selection process is also highlighted by the fact that no student has failed, for academic reasons, to complete the OESO course and receive the special skill identifier of an OESO. The school is apparently not acting as a screen to sort out those individuals who should not function as OESOs.

Possible ways of improving the selection process will be discussed at more length in our conclusions and recommendations.

TRAINING

The Organizational Effectiveness Training Center at Fort Ord is the linch pin of the Army's OE training efforts. From a somewhat turbulent beginning it has evolved into a unique institution that trains the Army's OE Staff Officers and develops OE doctrine. When considered in conjunction with the Navy's OD Training School at Memphis, they comprise two educational institutions which are unique in the OD community in regards to the intensity, duration, and quality of their program. Considering the short duration of the training program (16 weeks), the OETC does a remarkable job.

It is a truism, however, that a man will do that which he knows how to do. To the degree that certain OE skills are taught at the OETC and others are not, the program of instruction determines the focus of the OE process in the Army. As one wit has said, "If the only tool you have is a hammer, everything tends to look like a nail." An analysis of the OETC curriculum is therefore in order. What does it prepare the OESO to do? What hammers does it provide?

The curriculum can be discussed as having four phases, all of which are essential to the development of the OESO. There is a theoretical phase which focuses on organization theory and change strategies, an interpersonal phase which exposes the OESO to some self-development and prepares him to teach certain management development skills, a skill-building phase which focuses on how to conduct certain diagnostic and intervention techniques, and a field training exercise which provides the OESO an opportunity to practice what he

has learned under faculty supervision. It is during the third phase that the OESO develops his retinue of techniques which, in effect, becomes his "hammer." In analyzing that phase, it is evident that the majority of what is taught is termed facilitative skills. That is, the focus is on those interventions such as team building, transition models, and conflict resolution which are designed to assist the organization or the commander in problem resolution in the interpersonal arena. Although they also receive instruction in survey techniques, two critical areas--that of the strategic use of OE, and socio-technical OE (those OE activities designed to impact at the man-machine interface)--receive lesser attention. This is not meant as a criticism of the OETC but as recognition of the fact that within the time available in the 16-week curriculum, only certain things can be accomplished. The facilitative or processual skills (focusing on organizational processes) are the basic building blocks of OE and have to be carefully taught, however, other techniques which could also create favorable outcomes for the organizations are not taught in sufficient depth to enable them to become another tool in the OESO's tool kit. The impact of this will be addressed in our next section, the OESO's activities.

ACTIVITIES

In order to discuss the activities of the OESOs, it will be useful to develop or discuss several models of organizational functioning.

The first of these is by Friedlander and Brown and is taken from the 1974 Annual Review of Psychology.¹

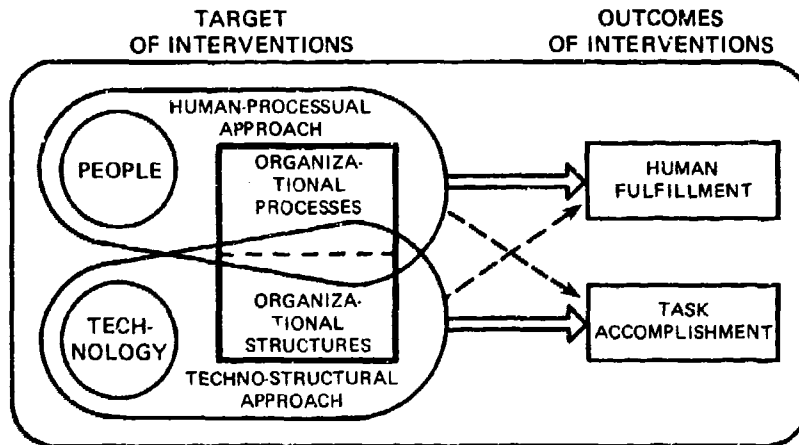


Figure 1 Approaches to organization development

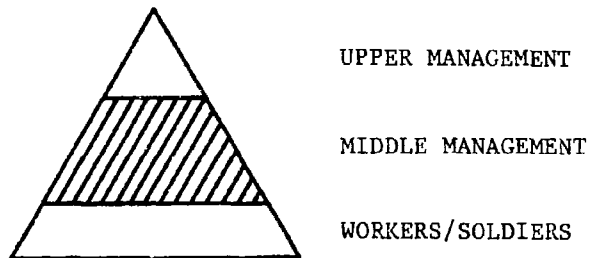
As this model indicates, there are two main approaches to OD or OE, the human-processual approach and the techno-structural approach which we refer to as socio-technical OD. The first tends to focus primarily on human fulfillment in its broadest sense and includes many of the techniques mentioned earlier as being central to the OETC curriculum, such as team building, transition models, survey feedback, and others. Because the focus of these techniques is on human fulfillment, the results tend to be difficult to measure in terms of bottom line output measures (such as production levels) nor do they normally take place at the lower levels of an organization. On the other hand, the socio-technical interventions, such as job enrichment or job redesign are habitually practiced at the lowest level of the organization

and are specifically aimed at issues which directly impact on the worker such as morale, productivity, absenteeism, quality control, etc. These are, therefore, the interventions which allow for hard measurement of results and the absence of which create problems in evaluating the Army's OE effort.

The above should not be taken as a criticism of the processual interventions. They are critical in assisting an organization in adapting to change, evolving acceptable solutions to problems, and assisting in organizational communications. It is not fair, however, to conduct human processual OE, such as a brigade team-building session, and expect to measure reduced AWOL's unless that is the specific focus of the OE effort.

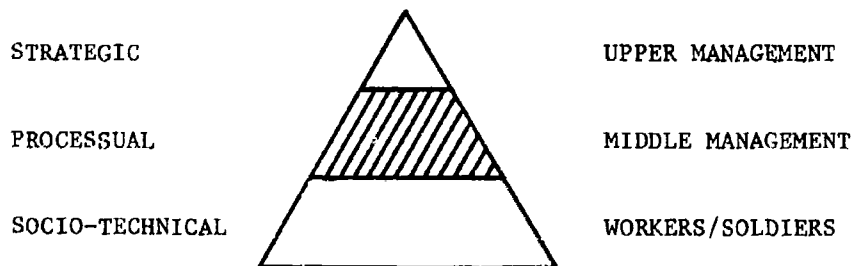
The analysis of OESO training was meant to serve as a linkage to a number of points relating to OESO activities. Because the OETC teaches primarily processual skills, that is the focus of the OESO activities. Most OE activity in the Army today see the OESO playing the role of facilitator, that is, using his skills and techniques to assist middle managers or commanders at brigade level or below in resolving problems or improving organizational teamwork. Even those OE activities which take place at the highest levels of the organization, such as Department of the Army, are processual or facilitative in nature, and do not generally represent what we call strategic OE.

In Chapter II, Review of the Literature, we addressed the levels at which OE was practiced by the use of a hierarchical triangle shown below, and pointed out that throughout industry most OD takes place



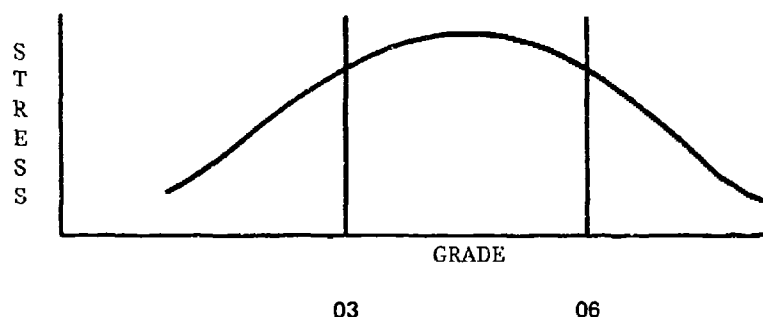
at the middle management level. The same is true for the Army. In the Army this results from three factors--first, organizational and individual needs; secondly the match that exists between levels at which OE is practiced and the techniques with which the OESO is comfortable; and third the OESO's predilection to work with the most influential clients to whom they have access.

The match that exists between OE techniques and organizational level can be demonstrated by adding another set of descriptors to the triangle shown above.



Processual skills are most useful in dealing with the issues that confront managers or commanders in their dealings with each other. Although these skills may also be useful at lower and higher levels of the organization, they will probably not be used at the lower levels because they are time consuming and not enough OESO resources are available to work below company level, while, by themselves, those skills are not sufficient to do what we have termed strategic OE. The conduct

and type of OE activities is also driven by the felt needs or hurts of an organization. We would hypothesize that the focus of OE in the middle management of the Army is a reflection of the fact that that is where the greatest organizational pressures and managerial stresses are felt. If we draw a curve of management stress versus grade in the Army we believe it is as indicated below:



It is in the mid range officer grades where the greatest stress occurs. This is because below that level the pressures for career achievement are not as great nor is the institutional commitment as notable. Above the 06 level we believe there exists a greater sense of collegiality among the senior officers, a willingness to trust each other, and a sense of having been a career success. This felt stress at the middle levels may account for the greater willingness of the Army's middle managers to search for new ways of interacting with their subordinates and superiors and to look for ways of improving organizational responsiveness.

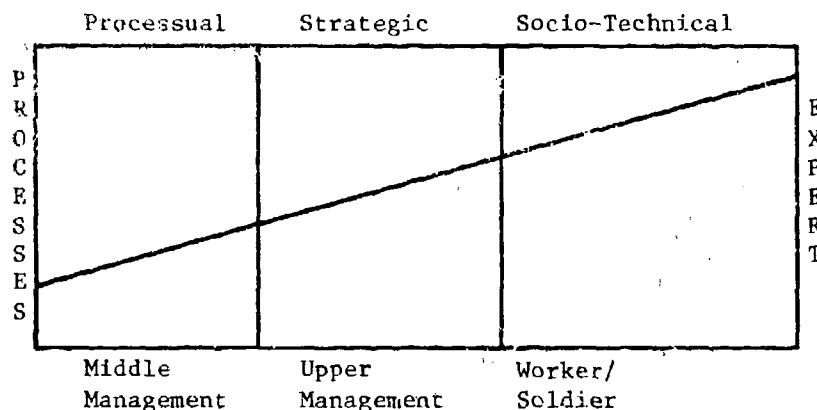
Another factor which causes OE to focus on middle management is the inability of OESOs to gain senior officers as true clients.

Although many general officers are today willing to allow OE to take place in their commands or even encourage its use, only a handful are themselves willing to participate in the process.

When we study the bottom of the hierarchy we find that there is little socio-technical OE being carried out in the Army today. Unlike the Air Force which has made some significant efforts in that area--and achieved significant payoffs--the Army has not placed much emphasis on lower level interventions. This is understandable considering the OESO's training as well as the difficulty of doing this type of OE in combat battalions. It could, however, be done successfully in many of our depots and other industrial type operations.

At the upper end of the organization there is some processual OE being carried out within the Department of the Army. The level at which it is carried out, however, does not solely determine whether OE is used in a strategic fashion. More important is the purpose or objective of the OE effort. We define strategic OE as the use of the OE process to do long range planning, to establish future goals, and to develop strategies to attain those goals which take into account the need to achieve change while retaining the organizational members' sense of loyalty, enthusiasm and identification with organizational goals. Processual skills are not sufficient by themselves to do strategic OE because, for the tasks mentioned above there also exists a requirement for cognitive input to decision makers.

A model of consulting skills developed by the authors is shown below and is useful in differentiating the cognitive or expert



Consulting Technique

component of a consultant's role from the processual component as they relate both to level of intervention and to type of intervention. Middle management OE is basically process OE, upper management or strategic OE requires both process skills and expert inputs, while socio-technical OE requires more expert inputs than the other two. Until the OESOs are properly trained to operate at levels other than processual there will not be much change in the focus of the Army's program.

The focus on middle management and consequent lack of emphasis on socio-technical interventions has a number of undesirable outcomes. In the first place, it makes it difficult to quantitatively assess the results of OE. Secondly, the soldier in the rifle squad hears about OE but sees little benefits accruing to him and may become cynical of the OE effort; and lastly, until some effort is focused on the lower ranking soldier, the full benefits of doing OE will not be realized because it is at the lowest levels that OE can address such

issues as group cohesion, discipline, morale, and goal congruency. It is also more difficult to justify to external critics the OE effort if it fails to directly address some of the key problems mentioned above.

A specific intervention or activity which deserves special mention is the use of surveys. Although OESOs are trained in survey techniques and have available a standardized survey, the use of surveys is not being fully exploited. Survey feedback can be used at all organizational levels and both as a strategic and socio-technical intervention. Unlike the Navy which has a Navy-wide survey system which centrally gathers data and provides the opportunity for central data analysis and strategic decisionmaking, the Army OE system has only fragmented use of surveys and no central data collection. The opportunity to assess the effect of Army policies Army-wide or to measure the effectiveness of our many management systems is not being used.

EVALUATION

Evaluation of OE results is a key point in order to establish credibility for the process within the Army, and to justify the program outside the Army. Although the need to evaluate and to conduct adequate research has long been recognized, little has been accomplished to date except for Phase I of the OETC evaluation plan. The OETC plan, a five phase plan currently being carried out, will upon its completion, and if successfully implemented, be a significant contribution to the OD community. The general plan was reviewed by members of this study group and found to contain all the elements of a complete and systematic

approach. The question of ensuring that appropriate criterion are used against which to measure the success or failure of OE interventions needs to be carefully studied, however. Subjective evaluations which are not somehow related to the Army's primary mission of readiness in peacetime or combat in wartime will not add to the credibility of OE within the Army or its dealings with Congress even though they may be acceptable to the academic community.

A portion of the difficulty in evaluating the Army's OE program is a function of two factors. As mentioned earlier the results of processual OE conducted at middle or upper management levels, although highly useful in improving the management process, is very difficult to quantify. Secondly, in the initial conceptual development of the Army's OE effort the decision was made to focus on the combat divisions because it was believed that to gain acceptance of OE, success would have to be demonstrated in those organizations. However, as has been pointed out in the review of the literature section of this study, quantifiable measurement of OE results has taken place primarily in production type organizations. Bureaucracies have difficulty articulating clearly measurable valid goals, and this is especially true in the combat arms battalions of the Army. If the Army is to have quantifiable measurement of its OE efforts these efforts may well have to wait until socio-technical OE is practiced within those Army elements most similar to a production unit such as DARCOM or other elements similar to industrial concerns.

Another major evaluation effort is the program being launched by the Army Research Institute. This effort, which has been rather slow getting started, should ultimately also yield high quality evaluative data.

One of the major sources of evaluation, however, should be the OESOs, but unfortunately, as with civilian industry, OE practitioners tend to focus on doing something rather than measuring the results or accomplishments of what they have done. Additionally, the OETC training program provides little instruction on how to evaluate an OE intervention.

INTERNAL VERSUS EXTERNAL CONSULTANTS

The review of the literature chapter discussed the pros and cons of the use of internal or external OD consultants, and concludes that both are useful. The Army OE program relies primarily on the use of internal consultants. Except for the case of Forces Command little consulting capability exists with the mission of providing external support to a subordinate organization. The use of external consultants, either from a higher headquarters, or from some central pool of consultants such as the OETC, would provide a valuable service to the OESOs. They could do this providing they have greater expertise and educational attainment than lower level OESOs. The services they could provide include adding credibility and providing advice to the subordinate OESOs as well as providing psychological support to new OESOs unfamiliar with their jobs.

ACCEPTANCE

Having discussed the activities of the OESOs, a brief discussion of the acceptance of the OE process in the Army is indicated. Acceptance in effect is our measure of the success of the OESOs in convincing the Army that what they do is valuable.

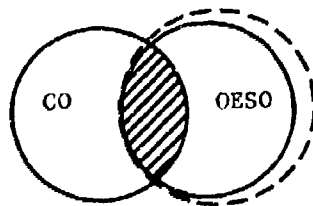
Acceptance of OE is, we believe, spotty but growing. Increasing numbers of OESOs have as many clients as they can handle. Additionally, the OETC evaluation plan mentioned earlier shows increasingly favorable attitudes towards OE by those commanders who have used the process. The various educational programs in the Service Schools as well as the commanders preparatory courses must also be having a favorable impact. Having said this, however, a significant amount of hostility and non-acceptance still exists. This hostility is probably attributable to a number of factors which will be discussed below.

One factor affecting acceptance is the way OE came into the Army. As mentioned earlier, it was initially imposed by fiat and subsequently maintained by a few key senior officers. The OD literature clearly indicates that this approach will increase resistance to change. In effect, this has happened and a number of officers are on the fence or in the hostile camps waiting to see how long this fad will last. Also affecting acceptance was the failure to effectively explain throughout the Army system the need for OE and to identify the problems it was intended to solve. Not everyone sensed the crises of the early 1970's nor do many officers believe that OE could help. The failure to clearly establish a linkage between OE and the PFC and the uncertainty of the

relationship of OE and combat also tends to reduce the perception that a need exists.

Related to the lack of an Army-wide appreciation for the need or potential of OE is the attitude of many of our senior leaders whose behavior clearly indicates that OE is something that is OK for their subordinates to do as long as they do not have to get involved. The effect of this is that where that situation exists, OE is not starting at the top and cascading downward as most authorities recommend. There is still a need for more significant senior officer education in OE for major generals and above.

One last comment related to acceptance is that there is, in the minds of some unknowing commanders, the feeling that an OESO is a threat to his commandship. The model below indicates that there is overlap between the roles but only in those skills that the OESO has learned and which he can pass on to the commander.



As the Army's educational system improves its teaching of leadership, management and organizational effectiveness many of the skills now taught at the OETC will also become available to all Army commissioned and noncommissioned officers. As this happens the OESO should find a lessening requirement for certain processual interventions. Although the role of third party outside observers will always be

required, increasing skills on the part of commanders will enable the OESO to work on other areas such as strategic or socio-technical OE and will necessitate the expansion of OESO skills to enable him to cope with more knowledgeable commanders. In effect, as the area of overlap of the above two circles increases, the OESO's circle should expand in other directions as indicated by the dotted circle.

The issue of OE or the OESO being a threat to commanders reflects a misunderstanding on the part of many Army officers as to what OE is supposed to attain. Some commanders fear that participating in OE will lead to a loss of control, that their status as a commander will be weakened if they receive feedback from subordinates as to what is right or wrong in their units or that they may lose their aura of omnipotence in an organization that has effective two-way communications. In reality, experience in and outside the Army indicates that OE increases the commander's control within his organization. Development of an organizational climate characterized by trust and two-way communications increases the willingness of subordinates to identify with the organization's goals and thereby be more responsive to the commander's desires.

To summarize our view of the Army program the study authors believe that:

- a. The Army is not yet maximizing on the potential use of OE at various levels nor by using all available techniques.
- b. The OE process is gaining acceptance at middle and upper segments of the Army.
- c. The OE community needs to do a better job of articulating the need for OE.

- d. Senior officers need more education in OE.
- e. The OESO's role needs to be expanded beyond processual skills.
- f. OESOs need additional education in the skills required to carry out e above.
- g. The potential of the systematic use of surveys has hardly been touched.

CHAPTER III

FOOTNOTES

1. Frank Friedlander and L. Dave Brown, "Organization Development," Annual Review of Psychology 1974, ed. M. R. Rosenzweig and L. W. Porter (Palo Alto: Annual Reviews Inc., 1974), pp. 313-341.

CHAPTER IV

ORGANIZATIONAL DEVELOPMENT: SOME INDUSTRIAL EXPERIENCES

OVERVIEW

In order to gain a fairly wide gauge appreciation for the status of Organizational Development and its associated techniques and technologies, a diverse group of recognized "practitioner" organizations in the private sector were selected for on-site visits and interviews by the study team. The common selection criteria was known involvement in work/management practices broadly termed "Organizational Development" as discussed in Chapter I. The study team believed that a wide variety of utilization approaches might be observed and that technique transferability might be optimized based on the similarities of the organizations chosen to operational segments of various Army line and service functions. This chapter describes the organizational settings observed, their structure for Organizational Development utilization, their culture, management styles, the degree of acceptance, implementation, intervention strategy, and, lastly, their thoughts on the future. The industrial excursion was based also on the fundamental assumption that to a greater or smaller degree each industrial element had more experience in OD than the Army presently does and that the industrial setting, in fact, can be compared to like Army sub-elements or functions. The issues selected were based on our analysis of issues which face the Army. The correctness of our issue

selection was confirmed by our experience. In the main, issues which industry faces in OD include those which face the Army.

THE SIZE AND ORGANIZATIONAL CULTURE

Neither the size of the organizations visited nor the "culture" of the organizations deterred or precluded them from undertaking some type of intervention strategy normally associated with OD technology. Application differed, to be sure, and so did their internal organization to accomplish selected applications.

Contrasts in culture and style of the organizations visited were a conscious criteria of the visit design. For example, Exxon has wholly owned affiliates and subsidiaries in plant facilities all over the world. It is engaged in mining, refining, transportation, shipping, exploration, and research and development. There is a degree of leeway corporate headquarters allow affiliate executives in the management of plants and personnel. Nonetheless, the primary focus of the corporate philosophy is on product output. Efforts in management focus on strategies to optimize these product outputs.

Consolidated Edison supplies gas and electric services to New York City and its boroughs. Twenty-five thousand employees are locally employed to accomplish this. The culture of the corporation was described by their management as autocratic and paternalistic. This style was being gradually changed through the influence of the changing workforce.

Two of the corporations visited characterized themselves as "like the Army." In fact, one corporation employs more personnel than the

Army and the other only slightly less. Both corporations--the one a telecommunications industry and the other General Motors--are highly structured and gear their emphasis on competition and sales. The telecommunications corporation previously allowed a degree of autonomy in its affiliates when it described its purposes as "service." With increasing competitive demand and pressure, the structure has changed. In general, the organizations visited reflected more decentralization than the Army. As external pressures--primarily regulatory acts of the Federal Government--impact on them, they see the trend going to greater centralization.

Seven of the corporations visited during the conduct of the study likened their business philosophy to their strong "people" orientation. None lost sight of the reality of product acceptance in the marketplace and profit consequences, but appeared to place considerable emphasis on employee satisfaction strategies in order to gain the competitive edge.

For example, Connecticut General Life Insurance is one of the ten largest stock-owned insurance operations in the United States. It characterizes its management and business philosophy as traditional and people oriented. Dow Chemical used the same descriptive terminology to indicate its management philosophy. It employs 54,000 people. Sears, with an extensive history in survey feedback espoused an operating philosophy which placed equal emphasis on the employees and the product line.

Saga Corporation employs 28,000 people and operated several franchise restaurant chains and cafeterias. It takes a very strong position in

terms of the importance of the personnel. Both Shell Oil and Texas Instruments equate OD practice to the corporate "way of life" and speak of their corporate function as being authoritarian and highly directive but highly infused with participative style. The consumer goods manufacturer has a wide and diverse product line which is produced in plants all over the United States. The firm has taken a pragmatic approach to business practice and the management of its people. Their attitude mirrors favorably the justification for OD use heard throughout the development of this study. OD is used to develop as effective an organization as possible because there is a positive payoff and because it introduces the human element into thinking and planning very early.

REASONS FOR ORGANIZATIONAL DEVELOPMENT INVOLVEMENT:
THE HISTORICAL PERSPECTIVE

The reasons for the development and use of Organizational Development techniques are diverse and varied as the product lines, size and culture of the industries surveyed.

In one instance, the techniques were used to create a pool of managers and thereby provide an ability to promote personnel from within the corporation. In another, OD was seen as a way to respond to the changing attitudes of the workforce. In the case of Connecticut General, the OD process was used successfully to respond to governmental regulations and the problems of accommodating Equal Opportunity and Race Relations Programs. In Dow and in General Motors, the changing workforce, workforce problems and union strikes were seen as catalysts for OD

involvement. In the telecommunications corporation, OD was viewed as another way to get an edge in the highly competitive market. In the case of a younger corporation--Saga--organizational development was incorporated into management from the inception. The same is true for Texas Instruments and its twenty-year history of OD use. In these two cases, there appears to be a correlation between the corporate age and the management style. Acceptance and adoption of OD are here seen as related to the start of present operating practices and policies and reflect the way these organizations operate today.

Conversely, in two older industries where emphasis has traditionally been toward a strong people orientation, the use of OD techniques has quite naturally evolved. There is a strong insistence on the part of the retail goods manufacturers that they were doing things now categorized as Organizational Development a full fifty years ago.

For whatever reason OD techniques were first implemented in the corporations visited, they have taken hold and generally expanded in both acceptance and in general and specific use where the technique has been right for the specific intent, purpose or problem. It is seen within the context of the sites visited as a set of techniques useful in accommodating internal and external changes in the environment and as a way to influence positive change.

THE INTERNAL STRUCTURE FOR OD AND THE PERSONNEL THAT DO IT

The only generalization that can be made regarding the placement of the operative OD function within the corporations visited is that

the organizational cell is located near the corporate head and generally under the Personnel Management Czar. Where the corporation has wholly owned affiliates, the OD personnel are located in cells near the top of the affiliate hierarchy. At corporate headquarters, staffs range in size from three professionals with one or two support personnel to a single unit of fourteen OD professionals with personnel for clerical support. Consolidated Edison has a staff of three full-time OD consultant, specifically hired for the OD task. They are from OD or related disciplines such as interpersonal communications and organizational behavior. The staff is located in the Human Resources Planning and Development element of the Employee Relations Office under the Senior Vice President for Employee Relations. Unlike the Consolidated Edison approach, the insurance company has taken personnel from within the organization and trained them in facilitator skills. They, in turn, conduct management training and workshops from a training office at corporate headquarters.

The telecommunications corporation and Exxon have established staffs of professional OD consultants at the corporate level and at the top echelons of their affiliate companies. In both cases, personnel trained in the disciplines of OD comprise these staffs. In the telecommunications corporation, ten of the twenty-one affiliate companies have internal OD staffs or staff personnel.

Shell has a formal corporate level staff which is called the Department of Organizational Effectiveness. It is characterized as a "small internal consulting firm." These five professionals are selected from

within the corporation and are selected on the basis of "knowing how to get things done," knowledge of the company and maturity. They are provided OD skills through OJT work, seminars and workshop experiences. The consumer goods manufacturer also uses a corporate level staff comprised of company developed people which are in turn developed to function in the OD area.

Dow places its OD capability at corporate level and admixes academic and company qualified personnel under the direction of a line manager. General Motors has a professional OD staff at the corporation level headed by a former member of the Harvard Business School faculty. Sears and Saga follow the corporate level placement example of the other corporations visited. Both are well staffed, full-time, and highly qualified.

Texas Instruments has taken a different approach. Their OD effort is, in effect, broken down among three specialized staffs. A vice president heads a staff at corporate level which is charged with the development of the corporation strategic plan. This staff is called "Objectives, Strategy, and Tactics" and fulfills a modified MBO participative planning function. A second staff also headed by a vice president devotes itself to socio-technical techniques and their application at the various work sites. Additional personnel qualified in communications skills and effective listening works out of the employee relations area and trouble shoots employee discontent and resolves management/labor problems.

HIGH VISIBILITY VERSUS A "DIRTY WORD"

The large taxonomy of diverse intervention skills and techniques found in OD technology and the accompanying jargon and language that goes with it is as contentious a problem in industry as it is in the Army where anything apparently new or different causes its own resistance to change. The corporations surveyed have generally dealt with "OD jargon" with unanimity of purpose. One firm "low keys" use of the term and avoids the jargon. Connecticut General and the consumer goods manufacturer are strongly anti-jargon, avoid the term OD, and go to great lengths to implement strategies within the context of the culture and language of the corporation.

Texas Instruments sees a very real requirement to "demystify" the entire OD area of knowledge and approaches implementation in this way. Consolidated Edison alone, of all the corporations visited, refers to their effort as Organizational Development. Shell has taken the Army approach and calls its effort "Organizational Effectiveness." Other firms visited avoid jargon, do it, and don't call it OD.

As the techniques have gained acceptance and become indistinct from the rest of the organizational culture, there is neither need nor reason to treat separately interventions associated with the OD process.

CONSULTANT/FACILITATOR: INTERNAL VERSUS EXTERNAL

Each of the corporations visited has developed substantial capability to apply organizational development through internal consultants. However, most of the industries surveyed do place emphasis on the need

and use of expert consultants for the reasons generally stated in Chapter II. This reliance varies from an as-required approach at Saks and Sears to a primary reliance in Exxon where the corporate OD office serves as a resource consultant and coordinator.

Shell's corporate level staff also makes the determination when the use of an external consultant is needed and also serves as a resource consultant. Connecticut General began its OD work through external consultants but has taken over the function by developing its own internal capability.

The consumer goods manufacturer uses very few external consultants and regards them as too academic. Regardless of the approach taken on the issue of internal versus external consultants, where the expertise of the OD staff at corporate level is deemed sufficient for the change intervention desired, the internal consultant working within another corporate element has the "effect" of an external consultant in that they are neutrals in process consultation as facilitators. Expert consultation is only a relevant consideration when the task to be accomplished or the problem to be solved exceeded the competence of the internal staff.

WHO ARE THE CLIENTS?

The clientele who are the targets of Organizational Development in industry are addressed in terms previously used to describe the organizational mode, i.e., strategic management or top management personnel, middle management and socio-technical line functions.

For example, one company selects clients at upper and mid management levels on the basis of acceptance and where the payoff is high. They refer to experiences where they have had good interventions but not necessarily good clients. The feeling is that broad gauge acceptance is largely a function of success laterally advertised by a satisfied user who has been the subject of a change strategy which has had a positive payoff. Application has been consciously avoided below management level due to a strong desire to avoid the charge of interference with union structure.

Texas Instruments has incorporated strategies that affect all levels of management and production and has structured their continuous efforts to this end. Exposure to use of OD strategies in the corporation are reinforced through the OJT approach to training in the advancement of managers.

Both Shell and Saga Corporation described their application of techniques through the use of the term "cascade" down through the organization. In their view the primary clients are at the top and all subsequent levels of management. This is seen as beneficial to the institutionalization process and a way to "become" the culture of the company. Shell considers a plant operation geared to produce a specific product line the start of a socio-technical process from the management on down to the labor element.

Exxon efforts are focused on mid management through worldwide training workshops termed "managing for excellence" as well as new plant start-ups. The telecommunications corporation, Dow, and Sears,

currently do very little work at the strategic level but impact most heavily on mid management. The socio-technical client is seen as a source of positive payoff by the consumer goods manufacturer and General Motors, Saga and Sears impact most at the mid to upper strategic management levels. The survey feedback done at Sears and General Motors focus on the bottom line employers and present survey data to upper management for decisions.

Regardless of the specific client target, the use of organizational development is sanctioned by top management in all of the corporations visited. The style of intervention used and the diversity of techniques applied, often direct who the client is. The positive aspect and the only real operative consideration is the fact that a permissive environment is present within the corporate culture. In an order of frequency the mid management client receives most attention, and the socio-technical "client" and strategic level client follow in that order.

THE BROAD SPECTRUM OF INTERVENTION STRATEGIES

The strategies adopted by the corporations visited are direct reflections of how they are staffed to accomplish OD, the organizational cultures and their expectations for improvement, control, management style, and productivity.

One of the more unique recent applications of Organizational Development techniques is that used in new plant start-ups. This reflects a realization on management's part that old plant design, based purely on industrial engineering principles did not address the

job satisfaction needs and the aspirations of the workers at the work place. In the new plant start-up procedure, the top managerial team is assembled three to four years prior to the design, construction and operation of the new plant. The procedure allows the management team to plan for the functional outcome in a total systems way. As functions are brought into operation, personnel are brought on. The process is participative and reflects the energy and ownership of the management and labor staffs in the design of the plant, the design of the work and the enrichment of the job; factors which are normally extremely difficult to influence where large capital expenditure might be required in order to effect the changes and outcomes desired. In the new plant start-up corporate management recognizes priority and commits resources, funds, trust and support in order to achieve a vertical and horizontal integration of the workforce and a specialized approach to productivity. In all cases the organizational development staff--internal and external--provides support in team building, problem solving, decision making and socio-technical designs.

Exxon and Shell have both used the new plant start-up approach as have General Motors and the consumer goods manufacturer. The telecommunications corporation has utilized "matrix" task groups to plan, organize and execute new corporate projects. This "venture" planning and execution is akin to the new plant start-up technique. New plant design is by no means the extent of the techniques and interventions implemented in these corporations.

Exxon has incorporated flex time, management development work shops, and quality of work life programs, among its clericals. The telecommunications corporation has incorporated team building intervention, productivity measures, survey feedback and assessment centers to improve the product line and increase the effectiveness of service in the competitive market. General Motors also uses team building with high quality of work life content, job enrichment, job redesign, and vertical integration of staff and line are also high payoff interventions. Shell used managers course work as a seeding activity to affect change in the style of managers. Team building, task oriented facilitation and problem solving work shops are also popular interventions. Management by objective, communications skills and content learning all reflect the approach this corporation uses.

The consumer goods manufacturer has utilized successfully survey feedback and motivational strategies in its OD program. Survey feedback is a major intervention at Sears where bottom line data is integrated into corporate strategy and policy at top management. Team building and survey work highlight the Saga strategy also. Dow has a successful track record in reward sharing and training of line managers as does Texas Instruments. Group centered activity and work built around interpersonal issues as well as tailored surveys are major components of the insurance corporations efforts. Consolidated Edison feels that continued use of an assessment center, surveys and team building interventions will offer additional benefit and success outcomes.

SOME OPERATIVE ISSUES:
VOLUNTARY VERSUS MANDATORY AND CONFIDENTIALITY

As part of the study structure, some effort was expended to determine the attitude of user corporations on the issue of voluntary versus mandatory OD use and the issue of confidentiality.

Several stressed the importance of confidentiality in both feedback work and in team building. This general theme was echoed by the corporations surveyed. Texas Instruments' representative pointed out that strong efforts to assure confidentiality were sometimes thwarted by the realities of interpersonal interaction. The problem of disclosure was viewed as one that must be accepted and worked around. It certainly should not be allowed to impact on the worth of the intervention and survey work which is based on fundamental precepts of confidentiality.

Most of the corporations visited adhered to a policy of voluntary OD use. In such instances the environment is created to implement OD strategies but the onus is on the client to participate freely and voluntarily. In the case of the consumer goods manufacturer the culture of the company and the style of management is such that voluntary or involuntary use has never become an issue. In Saga, OD is considered mandatory and management people are selected against a criteria which indicates they are most likely to be oriented towards OD acceptance at the onset of employment. The electronics corporation also makes OD mandatory and imposes penalties on line supervisors in the form of raise and promotion withholds. Those supervisors who do not take prescribed courses in counseling, effective listening, and interpersonal

communications are notified through computer printout on their paychecks. The mandatory aspect has positive effect in the institutionalization process.

CLIENT ACCEPTANCE

The acceptance of Organizational Development in the corporations visited varied from total knowledge and acceptance to limited knowledge about the field. In two corporations the notion was that acceptance was so strong in the organizational culture that it was no longer separately recognized as OD. In these same organizations OD jargon and terminology was never used. It in effect was "just the way business was done."

Where OD efforts were relatively new, acceptance was growing as management and workers saw positive value in changes made as a result of OD as contrasted with "the way things were." In one firm, user acceptance was high based on the perception of success through OD use, or, at least general favor with positive outcomes. Conversely top management's understanding of OD was wanting. But top management did not prevent its being accomplished.

There was general agreement that a receptive client was more conducive to the assurance of a favorable outcome and that the favorable experience laterally advertised tended to develop additional receptive clientele.

PROS AND CONS ON EVALUATION

Evaluation has traditionally been considered a weakness in the Organizational Development field. That is, a weakness by those who demand some measurement of the "worth" of any expenditure of resources, time and money. To a substantial number of the corporations queried, evaluation is not considered a problem or the corporation is simply satisfied with the outcome to the extent that it does not require or bother with an evaluation. On balance, two of the visited corporations see the need for evaluation of OD in a tightening market environment which demands justification for each dollar spent and resource consumed. Exxon sees this as a problem and is doing some quantification in the socio-technical area.

There is a feeling that anecdotal evaluation is not sufficient. The telecommunications corporation insists that interventions must be undertaken based on projected worth. Cost benefit savings as an element of "worth" is a major consideration before an OD exercise is begun. The client is required to identify the expected benefits in hard figures prior to corporate level OD staff approval of an intervention. Consolidated Edison also recognizes the need for evaluation but to date has limited measurement data and has had to content itself with primarily "non-pecuniary" payoffs. General Motors has incorporated means to obtain data in its new plant activities and at the socio-technical end of the OD spectrum. Even where OD style is intermeshed into the business culture such as in the consumer goods corporation, a recognized need to

demonstrate the payoff in quantifiable terms exists. To date low absenteeism and low turnover as well as reduced error rate and improved productivity at some of the plants of the automotive company are cited as data supported outcomes brought about by OD technique.

In general the opinions relating to evaluation must be viewed in the context of the organizational setting in which OD is being done. Where it is well established as a management practice, no need to evaluate was seen because no threat to abolish it exists. Where OD is done "off line"--separately--as a distinct project itself, there seems to be concern over evaluation. All the corporations concede that there are some forms of OD intervention which do not and never will allow themselves to be quantified. Or, if quantification is demanded, the development of the technique to accomplish it would itself be costly and resource expensive. Such an area would be at the mid management processual level.

KEEPING UP WITH OD TECHNOLOGY: EDUCATION AND RESEARCH

Corporation response regarding the need and the follow through to continue the education of OD staff personnel positively supports the requirement to budget for attendance at seminars, OD network activities, work shops and symposiums. On the other hand, very little research was being accomplished by these corporations on an in-house basis. With two exceptions, no formalized research was being done.

General Motors has done some research as has the telecommunications corporation. Others have refined techniques through application of

experience from previous interventions and reinforce their technical capability in that way.

THE EDUCATION OF THE MANAGERS

Managers in the corporations visited are developed in basically two ways. Through the use of the OJT models and through more formalized attendance at company schools, contracted workshops and management courses.

In the OJT model the professional is hired for the job and then understudies its accomplishment for a period of time before he goes into that job. The process is repeated when it is time for advancement to a new position. Three of the corporations used the OJT model with varying degrees of structure associated with their application. In the case of the consumer goods corporation, feedback techniques are extensively used to measure the learning of the manager in the OJT program. A system of reports, briefings and interviews are scheduled into the OJT program. The insurance company offers a series of courses taught by their OD staff in the company's training department.

In the telecommunications corporation the extent of formalization of the management training programs varies from affiliate to affiliate. General Motors has a formal institute where techniques, style and skills are taught. While OD technique is a part of the educational process and the courses have high OD derived content, they are by no means the sole learnings acquired.

In passing it must be noted that where the OJT model is being used, the user corporations are well aware that company growth and the intensity of competition are gradually moving them towards the more structured formal approach to in-company education more similar to the military model.

SOME INCIDENTAL FINDINGS: UNIONS AND WORK STRESS

The title of this section concerns two areas of interest not originally addressed in the study design. They are the issue of unionization and the issue of work stress.

In discussions with corporate representatives it became clear that institutionalized OD application within the corporation had an influence on the extent and degree of unionization. In one corporation, management feels that unions have never gained a foothold because of the high benefit the OD business approach has gained for the workers. Benefits and rewards are high. The atmosphere is participatory and job enthusiasm and satisfaction are high and consequently the union has little to offer the workers. In another, some unions still exist but their influence and presence has been losing ground over the last eight years. This loss of union clout and pressure was directly attributed to OD efforts.

The consumer goods manufacturer was traditionally a non-union shop. As the corporation expanded and acquired affiliates, unions came with the affiliates. These affiliate unions have gradually lost employee vote over time. Again the demise of the unions was attributed to the management philosophy. In one corporation where only 5 percent of the

workers are union, the corporate OD style was cited as being responsible.

Two corporations told a different story. In the public utility, OD has not ventured below management level because of unions at the worker level. The corporation does not feel ready to risk potential clashes with unions at this stage of OD involvement.

In General Motors where high socio-technical OD content work is done the management is working hand-in-hand with the unions. In general, where management has adopted strong orientations to personnel programs and worker participation and satisfaction, there has been little apparent need for unions to provide what management is already providing.

The other issue in this section is stress. There was candid admission by corporate representatives that work stress at higher management levels has taken a high toll. The loss of this talent equates to a sunk capital investment in the development of the individual. It was also admitted that no one yet had a handle on this source of waste. Connecticut General was in the process of incorporating self maintenance work and stress management into their structure of management courses. Both Texas Instruments and Shell recognized losses due to stress and were interested in the development of programs to counter its effects and impart skills to management personnel.

Several agreed that the need for stress work can only be fully comprehended against an appreciation for the cost associated with the overall development of a human resource. No one interviewed had a firm

handle on these costs nor did we see any examples of human resources accounting being used to get a handle on the problem.

ORGANIZATIONAL DEVELOPMENT IN THE FUTURE

Several organizations asserted their corporate policy would merely call for "more of the same" business approach in the future. These corporations seemed content with the style and scope of their present application of OD. Some saw the future environment as being tougher and more autocratic with decisions more critical and harder to obtain. In their view OD techniques are extant which may help to improve the planning and decision making process. They see more OD style and techniques in training programs and see the change from the OJT model to more formalistic training.

OD is beginning to be viewed as a part of a holistic system which must incorporate operations research/systems analysis, industrial engineering and humanistics. The OD effort itself must be managed and demystified. Approaches which incorporate a systems diagnostic function in which a multi-disciplinary staff designs and directs the execution of the correct taxonomy of interventions for resolution of tasks with high value outcomes, seems effective as a way to maximize the benefit of a variety of management technologies of which OD applications are only one.

CHAPTER V

COMPARISONS, IMPLICATIONS AND CONCLUSIONS

OVERVIEW

This chapter will cross compare the study group's impressions of the OE process in the Army (Chapter III) with our understanding of the industrial application as presented in the previous chapter. The implications to the Army and certain conclusions will be drawn. At the onset it is useful to accept the reality that in disaggregation the corporations visited do not resemble each other organizationally nor do they resemble the so-called industrial model in other than a very general sense. This observation has significance when comparing these businesses to the Army. For in disaggregation there are many more similarities than there are differences and, in fact, areas where mirroring has occurred through cross association between the military and industry. An explicit common denominator in the corporate samples visited was a universal acceptance of the value of organizational development techniques to assist in the accommodation and management of change. Like these corporations the Army has embarked on a similar formative program. Differences in corporate culture and size have influenced the extent of organizational development done, where it is done, and the kinds of intervention strategies used or not used. The fundamental precepts, very much operative for the Army, center around the control of change and therefore the ability to positively influence

the future, and the concept that any organization regardless of its perception of itself is capable of additional improvement.

The extent to which the collective corporate experience observed has application to the Army in these two areas in essence is a matter of choice. The questions that must be answered deal with how much change, how fast and at what cost. In this context the Army process has made great strides as far as it has gone and at this stage of its institutionalization. The conclusions, and later, the implementation and recommendations chapter are strongly based on an avowed respect for the "art of the possible."

STRUCTURE AND PERSONNEL

In any comparison which allows conclusions to be drawn, "structure" must be the peg on which the "process" is hung. The personnel that accomplish the pattern of OD tasks as defined within their specific corporations occupy corporate, structured "nitches" at the top. There was general acceptance of the principle that OD must "cascade" down and industry has so structured its efforts. The approach the Army has taken is not dissimilar to this, especially when one considers that there are in corporations, and in the Army, many "tops." And where you are in the organization will determine where the top is. The notion of multiple "tops" is clearly evidenced in Likert's linch pin theory which connects functional or operational organizational segments. The strength, or pervasiveness of this linkage in terms of congruent organizational behavior is translated downwards more easily than it is

from the bottom up. Simply stated, acceptance of organizational development at the highest level by the leadership is apt to influence change more positively--and, its natural counter force--resistance to change--more readily than an effort which is oriented from the bottom up the chain. In this way the "culture" is set by example. Corporate experience indicates that the more productive efforts in OD have occurred where the level of implementation is controlled by a manager or leader who also controls his internal environment and understands the realities of the external environment. OD, or OE, is best implemented by a leader or manager who has been allowed at least the latitude to apply the techniques by his boss.

The advantage that industry has seized and, to a lesser extent, the Army, is the acceptance of these kinds of structural dynamics in the structuring of their organizations to accomplish OD.

With little exception the corporations have placed responsibility for OD activity in Human Relations and Personnel operations divisions near the top of the corporation or the top of the affiliate. There is resource linkage from one "top" to another which allows for cross-fertilization of ideas, resources and experience. This informal network has served to reinforce the process in industry by harnessing both structure and people. The higher echelon (both in experience and cognitive knowledge) becomes an expert consultant and external consultant to the lower level OD staff. The Army is presently weak in the network area and has not yet achieved a structure which matches the corporate models high experience content and expert and external consultant qualities.

The selection of OD personnel in the corporation follows two different basic approaches. Some recruit from the academic community to specifically hire individuals with high theory based disciplines. Where this is done an absorption process is involved where the OD personnel are rapidly introduced to the company culture, language and business environment. In all cases they are strongly encouraged to rid themselves of the academic jargon and to retrofit theory with practical application in the corporate setting. In other corporations a "company man" was transformed into an OD facilitator through OJT techniques, schools, workshops, seminars, and train-the-trainer experiences. The value in following the latter approach was seen as a way to harness practical hands-on, company know-how, acceptance, and corporate maturity with the OD job requirement.

In two observed instances, corporations had mixed staffs. Both internally developed people and academically trained personnel. This was seen as mutually reinforcing. In one of these cases the staff chief was always a line manager.

The Army approach has been one in which the OESOs are selected from the inside on the basis of at least two well developed criteria--successful command performance at the captain level and educational experience. The third inclusive ingredient to successful application and acceptance in the field is the OESO's ability to relate and interact in an intensely interpersonal series of operational circumstances. Industry places high value on all three criteria. It is this third criteria that should be introduced into the Army selection process.

Some corporations visited place high value in the use of assessment centers to determine the prospective OD staffer's ability to function in the interpersonal area. In one instance where OD application has been holistically designed into the management dynamic, all management candidates are tested and interviewed to assure that they are able to function in the prescribed management style (heavy OD content). The assessment center approach has application in the Army. It assures a higher potential for success in the operational environment.

TRAINING

No counterpart facility to the Army's OETC exists in any of the corporations visited. As stated earlier in Chapter III it, and the Navy's Memphis school are the only "corporate owned" OD (OE in the Army instance) training facilities of their kind. Industry must draw on academic expertise and management and OD consultant firms for their cognitive inputs.

Within the limits of resources, time, money and other choice governed factors, the Army has a very direct and practical way to influence and form the extent and shape of changes it determines it wants to make in the entire Army structure. In the way the OETC is now organized it has a capacity to generate a quality of OESOs which surpass their civilian counterparts capability to do the things they are trained to do. Our meaning here is all important. At this time the Army OESO is trained to do well those interventions which fall in the processual classification.

In industry few corporations have adopted a total systems approach to OD practice. In many, conscious choice has, for reasons that seemed best for them, led them to select a less than total taxonomy of interventions. Through corporate development of their internal or external staffs they impact on specified management areas. We have seen examples of applications at the strategic, processual and socio-technical levels as defined in earlier chapters. Indeed, we have seen applications singly, in combination, and in a total systems approach. Within these combinations there are additional forms. The discussion here deals with the training concepts and not the interventions used which is the subject of a later section of this chapter. To discuss training one must address in some degree the purpose of the training which strikes at the heart of the matter--the process, and its outcomes.

The Army OE process is unique in that it has incorporated into its structure the capacity and capability to accommodate change in the OE implementation process itself. In effect the OETC through a variety of structure options, can be altered to provide its CESOs the cognitive ability to execute OD applications at levels not presently being well addressed in the Army.

The processual interventions which, in the main, absorb the majority of the OESO's time (and present expertise) are being done primarily at the mid management level. We believe that the outcomes here have been generally favorable and that acceptance has been generally good. On balance, this type of intervention strategy does not translate down through the system to the socio-technical level in any direct relationship.

By the same process the OESO contribution upward from the mid management level to the strategic level is indirect. The present process in the Army has placed OESO personnel at the strategic level (OCSA and DAS). Their effort in fact is almost totally processual and does not meet our criteria for strategic OD/OE.

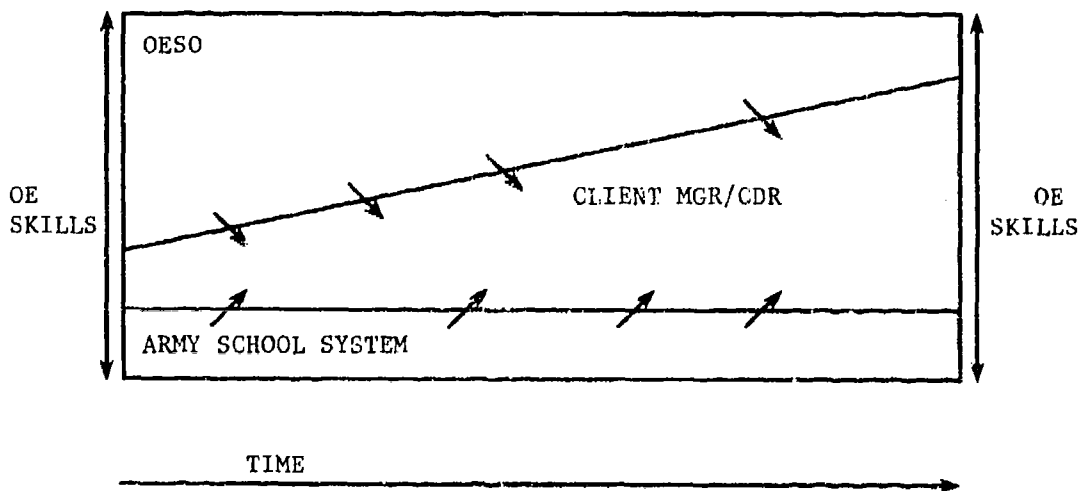
Under a process which does not expand to meet additional requirements the total system must wait until those mid management personnel who have experienced OD have been elevated to the strategic level through career progression and taken processual skills or OD interest with them. This, of course, does not address the strategic intervention strategies, leaves the socio-technical areas still uncovered and delays the institutionalization process.

Corporations visited have demonstrated an ability to reinforce an OD climate in their businesses through several techniques. Some hire managers whose style, through testing and interviews, reveals a high OD content in their approach to management. Others have used train-the-trainers approaches where corporate OD personnel train managers in management skills on a group centered experiential basis. Connecticut General, Exxon and others use this technique. Texas Instruments formalizes this approach at the line supervisor level through mandatory video tapes. The OJT training model also provides translation of corporate OD culture into managerial skills as these managers are elevated in the structure. This later model is being questioned in terms of its future utility by those who now use it on the grounds that the corporation is becoming too large for it to be as effective as in the past. These businesses

are rethinking training models for managers that look, in structure, at least like the Army training system.

The highly structured Army system seems to have a high potential for continuing the institutionalization process. OE content in Army training will, over time, modify the environment now facing the OESO. At present a high percentage of the OESO's time is used to educate the potential user client on the process. This time would be better spent on actual application of intervention strategy, even if this application is at present mostly processual.

The following model has some utility in describing the present institutionalization procedure. The model assumes that OE skills are introduced to the client (managers and commanders) in two ways. In the



upper portion of the rectangle, by the OESO to the client. On the lower portion by the Army School System. At the beginning of the process the OESO skill range is larger than the clients. At the right side of the rectangle across a time line, skills are imparted to the clients. With a combination of skill transfer being accomplished by both the OESO and

the school system the manager's capability, at least in theory, is broadened. The model, in this case illustrative of the institutionalization process, has additional meaning and possible implications for the future. It suggests that skills formerly applied by the OESO are now operative managerial skills. It further suggests the possibility of the OESO's role in the process being changed over time. To the extent the model is valid, the inference to a future OESO role change is valid. By implementation the content of the OESO training center could also be adjusted.

In order to meet the challenge of socio-technical application and the strategic OE applications other options in the Army process must be considered which all relate to evolutionary changes at the OETC. Some options that suggest consideration immediately come to mind. In that socio-technical content is presently low, additional content (and a course length increase) could be added. Or, where the need is identified, experienced OESOs, well grounded in the processual area could be identified for socio-technical training at a course designed for this purpose. An additional option is one in which socio-technical is only entered into when the right hand section of the model becomes a reality. At this future juncture the OETC course content is changed.

Insofar as strategic OE is concerned, the options which address altering the course content, or structuring an additional course for experienced OESOs might have merit. Strategic OE equates to high expert consultant capability. By design the Army process is lacking in this area as previously stated in Chapter III.

In summary, the Army OESO, for what he is trained to do, corresponds in quality to OD staff personnel in industry. What we want to get for the Army from the OE process will correlate directly to our use of the process to structure its own change through the OETC and the Army School System.

ACTIVITIES

In our comparison of the Army's OE activities with those of the corporations visited we will rely to some extent on the previous discussion which dealt with training, for in that discussion we had to touch on the activities issue. The training actions taken are directly related to the activities implemented. This is as true for OD in the industrial or corporate setting as it is in the Army. In a general way, corporations have made choices over a longer period of time and selected continued use based on perceived results and trial and error. Conversely the Army's relatively young effort is following its prescribed course and is potentially in a position to expand (or contract) the direction, thrust and intensity of its OE effort.

Should this be an accurate description of the present Army position it follows that uses that corporations have made and continued could have beneficial outcomes if applied at the appropriate place in the Army structure.

As reported, in only one instance did we observe a taxonomy of applications dispersed throughout the three tiered pyramidal management model. Applications at Texas Instruments were structured to impact on

the socio-technical, processual and strategic. In the strategic area the modified management-by-objectives scheme for planning is made congruent throughout the structure of the corporation by strong emphasis on participatory involvement which translates down to the work team. At this level there is a direct interface with socio-technical applications and the processual facilitations that are also integrated. The process meets the earlier discussed criteria of cascading down from the top. And each level acquires clients. Near and long term goals are formalized and vertical and horizontal integration occurs.

In Sears and General Motors similar integration occurs through extensive use of survey feedback techniques. In this application workers are surveyed for job satisfaction, expectations, self fulfillment, attitude, and opinions on company policy. These surveys are translated at corporate level and used as the basis of future "venture" planning and strategic planning by top decision makers. In a very real sense the line employee is linked to the decisions which affect and influence the progress of the corporation over time. Connecticut General, Gage and the consumer goods producer also use survey feedback technique to advantage. In their approach to OD, the US Navy has established a system whereby survey data is generalized and analyzed at top naval management levels. To date the Army has no such capability. But survey work is not unknown to the Army. In fact, each CFSO has competence in designing, giving, and analyzing the results of surveys done at local unit level for specific action planning. The systematic application of the survey feedback system through the vertical structure

would provide the ability to get a "snapshot" in time overview of the "state" of the force and make apparent some strengths and weaknesses. It would in effect tell the Chief of Staff how his Army was doing. Survey feedback also seeds the lower level system with the notion "someone cares." The onus remains on the leadership to accept or reject the findings but in all cases at least explain to the force why certain policies--often misperceived in the field--must remain unchanged. The dialogue-with-the-soldier aspect of survey feedback application should not be understated. Although we have discussed the many "tops" of management, this technique at least conforms to the present Army structure and would seem accomplishable at relative low cost and with minimum effort in a short time.

The chapter on business also discussed the concept of the new plant start-up technique found successful in a number of corporations. While there is no apparent direct application to the Army in this regard, slight modification of the concept and technique might fit unit reorganization or formation, and major tests like the ongoing DR3. Using a blend of OE procedures the outcomes should produce an organizational team which is vertically integrated and congruent with the organization's purpose and goals. Akin to the new plant start-up is the telecommunication corporation's experience in the new "venture" planning area where a multi-disciplinary task force is designed and its behavior is made congruent through team building and problem solving interventions so it is able to address the execution of a new project or new program. The potential for the use of this technique throughout

the Army staff, in units, at DARCOM and in the R&D arena is evident.

The socio-technical and processual techniques which impact on the worker are targeted on effectiveness, morale, participation, ownership, quality, productivity, and absenteeism. If any of these target areas sound familiar it is because with slight modification of definition, each is manifest in the Army system at the lower end of the management pyramid.

In the training discussion we have developed the point that it is at this lower end where Army OESO cognitive knowledge is relatively weak. To facilitate change in this people intensive area is to maximize outcomes with high payoff in terms of unit effectiveness. It translates into more efficient crews, squads, sections, platoons, companies. The benefit to the soldiery becomes direct, seeable, and identifiable.

No discussion of socio-technical application is complete without some attention to an even more readily apparent comparison of industry to the Army--or at least one MACOM of the Army. Many of the activities of DARCOM have direct correlation to processes and procedures observed in industry where socio-technical applications are evident. At this time, based on priority fill to the line units DARCOM is reported to have few OESO personnel assigned. Until additional OESO personnel programmed arrive at DARCOM installations little processual activity can take place, to say nothing of the more advanced OE approaches in the socio-technical area.

Fundamental to the corporate uses of OD are the multiplicity of innovative strategies which comprise major areas of OD effort. It must be remembered for example that team building technique has application at every level of management as witnessed by General Motors, Texas Instruments, Connecticut General and Consolidated Edison. Problem solving and communications workshops also have active roles to play at all levels.

The process must be designed to satisfy the management need, meet the expectations of the client group, be staffed to provide facilitation assistance and most important--reap a perceivable payoff.

EVALUATION

We have discussed the mixed bag of opinions relative to the issue of evaluation. In sum where OD is totally institutionalized, evaluation has long since ceased to be an issue. Where OD is still striving for systems acceptance, evaluation may or may not be a problem. In some businesses, where competition and cost benefit is highly critical the trend to link OD to cost benefit or at the minimum a well defined "worth" is well demonstrated.

A criticism of OE in the Army, and perhaps validly so, has been the rejoinder that OE cannot be measured. The question assumes even greater credibility when there is a requirement to justify measurably to the Congress the uses made of the public dollar. The ability to evaluate is contingent first on the criteria established against which to measure and secondly, effecting measurement so that the evaluation

itself does not become more costly than the benefit derived from the intervention. The socio-technical area is where most examples of evaluation are found. Quality of product, number of units produced, absenteeism, worker satisfaction all lend themselves to quantification. Identical sets of criteria exist in the Army. In addition, the evaluation of crew gunnery performance after team building might lead to interesting and meaningful comparisons.

The major factor here is that anything can be measured if effort to do so is deemed requisite and criteria are developed which can be quantified.

The myths that surround the "softness" of evaluation of OD are legion. Dr. David Bowers suggests there are ways to get around this apparent dilemma based on the systems process model itself.¹

AN EVALUATION PARADIGM FOR SYSTEMS INTERVENTION

SYSTEM PROCESSES

COLLECTION MODES	(Intervention) INPUT	(Functional Characteristic) THROUGHPUT	(Effectiveness) OUTPUT	
	Questionnaire	Not high probability of success	Most desirable	Some utility
	Interview	Practical and valid	Next most desirable	Some utility
	Observation	Effective Less practical	Least desirable	Inefficient
	Documentation	Not high probability of success	Less desirable	Most desirable

Dr. David Bowers
SR University of
Michigan

In the process model any intervention is viewed as impacting on the organizational process as an input. Questionnaires, interviews, observation and documentation are all brought to bear on the input intervention side of the system process. The interview and the observation aspects of the intervention are seen to have the greatest practical use at this stage with the questionnaire and documentation sharing as collection modes with "not high probabilities of success."

The second step of the systems process is the throughput or "functional" phase. In this stage the questionnaire is seen as the most desirable collection device with interviews second and observation and documentation as poor thirds.

The output phase of the systems process is also termed "effectiveness." In this phase, observation techniques are properly viewed as inefficient and questionnaires and interviews both are viewed as offering some utility. It is here that documentation techniques come into their own.

The collection modes in the Bowers paradigm were viewed and analyzed on the basis of degree of efficiency, timeliness, expense, and also validity and reliability of the data which they tend to generate. In a sense, Bowers suggests that collection technique be applied based on the best mode for the job. He suggests that payoff measurement can only occur when the collection modes of the process model are brought to bear most effectively in an output measurement perspective. In this logic the intended outcome becomes a critical factor in the structure of initial survey instruments, and certainly the engineering and formatting of the intervention itself.

In the Army the problem of evaluation is perhaps even worse. Very often the documentation of the output is not a consideration in an intervention and the intervention process is de facto over at the throughput or "functional" phase.

For the practitioner who insists on OE evaluation at the top of an organization, the road may be rocky. For those that accept

disaggregation at lesser levels of intervention, quantifiers exist and may be developed around valid criteria.

ACCEPTANCE

The fact that OD/OE acceptance plagues very few of the companies visited is in part a function of their long standing experience with it. In essence they are beyond the acceptance problem and well into institutionalization. Where acceptance was not total, the OD staffs were working around the problem by astute client selection and reaping the benefits of these clients' lateral and vertical advertisements and endorsements based on their satisfaction. The corporate experience is that acceptance of change is a slow, not to be hurried process. In essence, the business experience in the past has paralleled the Army's. From what was observed in corporations, from the literature, and what we know about the Army we have constructed the model in Chapter III (page 44) which can also be used to demonstrate something about acceptance and the Army's current clients. In the middle area of that chart which we will call the career zone, the environment is competitive, autocratic and full of risk. On the right hand side success is perceived as having been achieved, the atmosphere is collegial and the risks are minimal in that failure carries with it a non-devastating penalty.

In terms of acceptance of OE in the Army, both non-acceptance and acceptance exist at the mid-level. The highest use is also experienced here, also largely because this is the area where the OESO is currently trained to work. In terms of acceptance, user feedback is positive.

Until a commander becomes a user and admits to a degree of satisfaction with the outcome, these commanders largely remain skeptics.

At the lowest level, participation, whether well directed or not, is high in terms of the style of behavioral interaction. Conversely OE is relatively unknown because so few efforts have been directed toward that level. At the higher level there is little risk perceived in a position either for or against OE. In that efforts in this area are largely processual there is little evaluative judgment being made.

The general parallels of past corporate experience and present Army experience are remarkably similar. Where corporations have elected to reinforce their effort through socio-technical applications and strategic OD, buttressed by management seeding activities to affect management behavior, the institutionalization process occurs more swiftly and acceptance is accelerated.

UNIONS

The issue of unionization of the military is, at least for the time being, mute. It promises to be a spectre which might well loom on the horizon within this decade. A possible attractive byproduct of the study team's findings in the corporate visits was the observation that organizational development has been given the credit for preventing union entry in labor intensive corporations and has, in some cases, contributed to the elimination of unions in others. In one instance, General Motors, where organizational development activity is high in the socio-technical areas, the corporation and the unions have been

able to work side by side in quality of work life programs.

There are clear implications for the Army regarding the union issue. If the present OE process continues and judicious application of additional proven strategies are undertaken, the potential exists to successfully thwart union incursions. Unions, in the industrial experience clearly fail or are forced into accommodations where management has been able to provide fundamental needs to the worker at the work site through OD interventions. If the socio-cultural description of the force as presented in the Army environment study 1985-1995 is true, application of OE technique in accommodating these socio-cultural changes may contribute measurably to resisting future pressure or need to unionize.

THE FUTURE

The corporate past experience with OD technologies may well prove the way to useful outcomes in the Army's future experience with its OE process.

We conclude from our comparison of corporate OD with the Army that:

- (1) Except for those working at corporate headquarters, the quality of the Army OESOs compares favorably with their industrial counterparts in regard to the training they have received.
- (2) Army OE application parallels industries in the processual area.

(3) Industry exceeds the Army capability in strategic and socio-technical areas.

(4) The OETC is a unique training facility for which no civilian counterpart exists.

(5) The ability to incorporate additional OE strategies within the Army is fundamentally a function of choice and emphasis.

(6) The process so far developed in the Army is capable of accommodating changes in the process itself.

(7) Areas addressed in the corporate model not incorporated in the Army OE process are socio-technical and strategic.

(8) OE/OD is seen as a potential capability to thwart efforts to unionize the force, assuming that the Army is willing to act on the data gathered through OE assessments.

CHAPTER V

FOOTNOTES

1. David G. Bowers and J. L. Franklin, Survey Guided Development: Data Based Organizational Change (Ann Arbor: Institute for Social Research, University of Michigan, 1976).

CHAPTER VI

IMPLEMENTATION AND RECOMMENDATIONS

In the previous chapters the study authors have described the current Army and industrial use of OE/OD, drawn some comparisons between the two and arrived at certain conclusions based on those comparisons. The purpose of this chapter is to distill from those earlier descriptions and comparisons a model of what the Army's use of OE should be in the period five to ten years hence, and to provide some initial recommendations as to some of the steps required to achieve that goal. The focus of this chapter remains on the OE process, however, many of our recommendations by necessity will impact on the OE program in that to improve the process many managerial decisions will be required.

The earlier chapters used several models to describe the status of OE, the levels and type of interventions, factors affecting acceptance of OE and need for evaluation and expansion of the role of the OESO. The thrust of those models leads to the realization that the current OE program is significantly unidimensional and fails to take advantage of the total range of OE activities. Moreover the thrust of the program is not likely to evolve into a total, integrated OE effort without some careful evolution and specific management steps to improve the capabilities of OESOs.

What should the thrust of the Army's program be? What should be the goal of the managers of the Army's program? We believe that the goal should be;

The systematic use of the OE process throughout the entire Army structure with emphasis on the use of the appropriate interventions at the appropriate levels.

This means the use of socio-technical interventions at the lower organizational levels by OESOs adequately trained in those techniques; the acceptance and use of the OE process and behavioral science expertise at the appropriate levels of the organization; the proper use of surveys and other techniques both for strategic decision making and for measuring the organizational climate of the Army; and the continued use of processual and facilitative techniques when required.

In order to attain that goal, a number of specific actions are required. These begin with acceptance of the goal described above as the appropriate objective of the Army's efforts by all who are involved in structuring and managing the Army's program, and include such things as expanding the role of the OESO, developing a cadre of more expert OESOs, educating our senior leaders and enunciating more clearly the needs and benefits of OE. These and other recommendations will be described in more detail below. Carrying out such a program will certainly take time. It is not our intent to create the impression that major restructuring of this program is required. It is our intent to highlight that conceptual agreement is required as to where the program is going and that steps need to be started to ensure that the Army gets there.

Specific recommendations include:

THE OESO FUNCTION

Recommendation. The OESO function needs to be retained as a separate function within the personnel career field.

Although the study group is supportive of efforts to expand the functions and roles of G-1s, S-1s, etc. we believe that the OESO function or role should not be an adjunct to any of the traditional personnel roles. Doing that would have a number of serious negative consequences. First it would destroy the single most significant OE intervention in the Army system to date, that being the structural intervention of creating the OESO, and delineating his role. The OESO provides an alternate means of communication, acts as a reminder to commanders to use the OESO's capabilities in support of the commander and is able to maintain some sense of separateness which is important to his being able to provide objective assessment.

Assimilation of the OESO into the G-1 or S-1 role would destroy his acceptability to many commanders, would preclude him from participating in many OE activities, and will invariably cause him to become another staff officer immersed in the typical Army paper war.

THE ROLE OF THE OESO

Recommendation. The role of the OESO must be expanded.

In order for the potential of OE to be maximized the OESO must expand his capabilities and more effectively tailor his interventions to the level of the organization with which he is dealing, the problems identified by the assessment phase of the OE process, and the purpose

of the OE effort. In addition, the roles should be tailored so that the level of experience and education found at a particular organizational level, such as a MACOM or DA staff, are consistent with the requirements of that particular position. As discussed below, expansion of the OESO capabilities requires additional education in socio-technical techniques for use at lower levels of large organizations as well as education in large systems change processes for use at the upper levels when conducting strategic OE. This may be accomplished by expanding the OETC curriculum, by creating modules which selected OESOs could attend as appropriate and by the use of selected civilian graduate institutions.

OESO SUPPORT SYSTEMS

Recommendation. The Army needs to develop a support system for OESOs which includes expert consulting support, professional development, and a system to share expertise and experiences.

Some of the above recommendations are already in being in some fashion. FORSCOM does have some capability for providing OE consulting assistance to subordinate commanders, the OETC provides some means of interchanging ideas through the use of their magazine, the OE Communique, and some OESOs are able to participate in professional development activities. Unfortunately the acceptance of these activities throughout the Army is sporadic and in some cases resented or not allowed. In the area of consultation assistance we do not have qualified expert consultants to provide external consultation to installations or unit OESOs,

nor to perform OE duties at MACOM or DA staff. Clearly a system needs to be established which will allow some of the best OESOs to be selected for additional education (probably at a civilian university) and at an appropriate time in their careers, be assigned to serve at MACOM or DA staff positions. These officers would, on the basis of their grade (LTCs or COLs), their past experience and their education, have the credentials to assist young OESOs and to interact with senior officers as OESOs in higher headquarters.

Greater efforts (more direction) needs to be exercised by DA to insure that the other components of a support system mentioned above in effect come to pass and are accepted as part of the role of being an OESO.

ACCEPTANCE

Recommendation. That institutionalization efforts be expanded through the extension of the process to socio-technical and strategic OE. Further recommend that the need for OE be articulated clearly and definitely throughout the Army and that senior officers be oriented to potential benefits through additional training.

The acceptance of OE in the Army is a function of structure, time, level of effort and top level commitment. In the right combination, assimilation of the process into the "culture" of the Army can be expected to be evolutionary as opposed to revolutionary. Several conditions, conducive to this end, already exist. A process exists in the Army and has the endorsement of the Chief of Staff and select, well-placed

officers who have become practitioners. A training capability exists to train-the-trainers (the OESOs). The Army school system at all levels has introduced OE related training in the process execution area wherein the present process addresses only processual applications at the mid management level. While this is an excellent area in which to execute OE, it fails to capitalize on the strategic opportunities offered and does not address the so-called socio-technical level where direct benefit to the broad base of soldiers occurs and where, in DARCOM and the technical services, output most resembles that of industry.

Expansion of the capacity to do OE at socio-technical and strategic levels is worthwhile in itself and at the same time influences directly the institutionalization process.

In addition to expansion of the levels of application, the fundamental need for OE must be articulated clearly and definitely. Especially where the style and behavior of senior Army officers has been set by their previous experience, is education in OE and the application of OE needed.

Expansion of the OE effort to levels discussed will bring about more rapid institutional change and accelerate the coming of a day when as an institution, no one will remember a time when the functions of the Army were done differently.

ASSESSMENT CENTERS

Recommendation. The selection of OESOs should include the use of assessment center techniques.

Research in the behavioral sciences indicates that the most effective selection method used to select individuals for jobs or promotion is the assessment center. This technique, which derives from OSS methods used in World War II, is being used effectively in some of the organizations we visited and has a long history of success as the most valid selection technique currently in use. The Army also has extensive experience with assessment methods since the Army Research Institute has researched the area of leader selection for many years. Additionally, one of the approved test projects of the 1971 Behavioral Science study mentioned earlier was a test of assessment center techniques. This test, which was carried out during the period 1972-74 was useful in exposing Army personnel to assessment techniques. Although the test was a success, no further use has been made of assessment techniques. The proposal to select OESOs through assessment centers would provide the Army a chance to test in an operational setting the use of these techniques as well as ensure that individuals selected for OESO training were suited to the interpersonal demands of the job.

SURVEY SYSTEM

Recommendation. That a survey feedback system be implemented Army-wide.

A survey system would be relatively easy to implement in the Army. Survey experience presently exists within the OESO system and within DCSPER and MILPERCEN where quarterly surveys are accomplished now. Machine systems are on line which are capable of processing and transmitting the collected data. It remains but to determine what data is

to be collected, how often, where it is transmitted and how it is used.

Data similar to that collected at unit level aggregated by a variety of "header" categories might be assembled and analyzed periodically to assess the "state of the Army." If survey data is to have any impact on the strategic planning of the Army's future, it follows that it must be prepared and presented in forms useful to the Chief of Staff and key formulators of policy and plans. A peripheral issue, just as it exists under the present survey use criteria in the field today, is the one of confidentiality. At correspondingly higher levels of the structure the data must be "washed" to protect its anonymous and theoretically candid character and to preclude specific perceptions of threat to respondents or groups of respondents. In order to be effective, survey data collection, transmittal and analysis must be mandatory.

EVALUATION

Recommendation. Continue on-going work at ARI to develop criteria for measurement, define that which lends itself to measurement and begin evaluation measurement at the socio-technical level where practical and when practical.

Evaluation is contingent on the criteria selected and the data base against which to measure. In some areas this is relatively easy. In others not so easy. In some, probably better left undone. Evaluation goes hand in glove with feedback and survey work. Evaluation at

the Army level suggests an analysis of a survey derived data base which, on analysis, allows goals and standards to be set. Once set, these goals and standards become the operative targets of participative action planning throughout the Army structure. Evaluation then can occur on the basis of the subsequent survey. These new results are measured against the goals and standards established to determine what change has occurred. This total systems evaluation is dependent on the strategic integration of a survey process.

Other types of evaluation can be accomplished at lower but nevertheless meaningful levels. Many of the functions of DARCOM and the tech services are directly comparable to industrial functions where meaningful measurement and evaluation have been accomplished at the socio-technical level. Such criteria based evaluation is as applicable to Army needs as it is to the industrial setting. Other areas where evaluation can be accomplished exist in the combat arms. Such evaluation would address effectiveness of unit teams (tank crews, infantry squads) in their ability to perform combat roles more productively through evaluation of tank gunnery or crew served weapons proficiency.

EXPERT CONSULTATION

Recommendation. That a capability for providing highly competent, credible advice in behavioral science matters to senior Army policy makers be established.

The need for the senior decision makers of the Army to have access to a highly reputable, knowledgeable behavioral scientist who

can participate in their deliberations and provide insights based on his knowledge of organizational behavior when appropriate has been recognized by previous studies. Availability of this point of view is germane to a host of Army issues not all of which are personnel issues. The Army does not currently have any senior officers who are qualified to perform this task and who by virtue of their position would normally be present at the highest levels of the Army such as the SELCO and/or the Army Policy Council. Having this capability would assist the capacity to do strategic OE because it would provide the cognitive input which is required at the upper levels of the Army while allowing a somewhat less prestigious OESO to do the process consultation as required. The professional level of competence required to perform this function is not likely to be attained by a senior Army officer who has not devoted his primary career experience to the study of individual or organizational behavior. Additionally the person who provides this advice should be free of any parochial viewpoints or needs for advocacy since his advice should cut across staff functions. There is precedent for this function as the Army has had for many years an advisor on geo-political matters. This position would recognize that people are as important as other matters.

EDUCATING THE MANAGERS

Recommendation. Continue present educational strategies and expand the scope of OE training to senior and general officers.

Management development must be the joint function of the OETC/OESO process and the Army school systems. This two pronged approach is also complimentary to the institutionalization process. Skill transfer from OESO to the commander/manager client and similar skills based on theory are acquired through course content work at the service schools. And this structured training must be structured into NCO schools, troop schools, and in unit training. Its acceptance will be best assured the more closely it is identified with troop leading procedures and leadership. A void in this educational process is evident at the senior and general officer level where no equivalent to the exposure to OE being taught and used at the mid management level and at the schools is presently available.

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COMPARISON OF CORPORATIONS VISITED AND ISSUES DISCUSSED

	EXXON	CON EDISON	CONN GENERAL	TELE COMM CORP	DOW	GM	SEARS	SACA	SHELL	TEXAS INSTRUMENTS	RETAIL GOODS MFR
Size	Worldwide	Local large client utility co.	3rd largest stock insurance corp in US	900,000 nationwide	54,000	84,000	Nationwide outlets	28,000 pers 2000 Production units	Worldwide	50,000	Diverse Large National
Organizational Culture	Product/Output oriented	Autocratic paternalistic	Strong people orientation	Present-affiliate Future-more authoritative	High people orientation	Vertical structure. Authoritative	Vertical structure. People oriented	Strong people orientation	Way of life. Authoritative Participative	Way of life	Pragmatic People oriented
Internal Consultant	Advisory	Internal staff	Internal staff	Internal staff	Internal staff	14 at corp level and at plants	Heavy reliance on internal staff	Internal staff	Internal resource consultant	Internal staff	Internal staff
External Consultant	Primary reliance	Very limited	Initially used for credibility	Use external for expert content	Limited	Some	As required	As required Part-time consultants		As required	Very few Too academic
Structure for OD Within the Corp.	Decentralized at affiliate level network	Small, full-time staff at corporate HQs.	14 person staff at corporate level	OD group at corporate and at many affiliate HQs.	Corporate HQs	Corporate HQs Pers Div	Small, full time corporate level staff	Corporate staff	OD staff at corporate level	OD staff in employee relations Strat planning staff	Corporate level integrations EO/RR

TEXAS RETAIL INSTRUMENTS GOODS MFR																						
EXXON			CON EDISON		CONN GENERAL		TELE COMM CCRP		DOM		CM		SEARS		SAGA		SHELL		INSTRUMENTS		GOODS MFR	
Quality of OD Staff	Experts in the field Hired for discipline	Hired for OD discipline	Internally trained (OJT)	Hired for OD discipline	Mix of line mgrs and academic trained	Highly qualified	Highly qualified	Highly qualified	Highly qualified	Internally trained Mature Know company	Academic trained and OJT trained	Internally trained for OD										
Motivation to Begin OD	Changing attitudes of work force	Develop basis to promote from within	RR/EO affirmative action	Competitive market	Unions strikes work force changes	Work force problems				People orientation 30 yrs	People orientation 20 yrs	People orientation 50 yrs										
Use of OD "Jargon"	Discourage use	Use OD terms	Anti-jargon don't call it OD	Demystify avoid jargon	Don't call programs OD			Don't call programs OD		Call program OE as Army does	Avoid jargon	Avoid jargon										
Theoretical Basis		High	High	High				High in survey area		Theory and practical application	High	Practical Application										
Level(s) of Intervention	Mid management Socio-tech	Upper mid management	Corporate level only	3rd, 4th & 5th levels of mgt	All but very top	In plants		Mid & upper mgt level	Throughout mgt Top to bottom Not much socio-tech	Top Mgt Mid Mgt Socio-Tech in plants	Strategic: Mid Mgt Socio-Tech	Mid Mgt Socio-Tech										
Interventions Used	Mgt Work-shops Surveys Socio-Tech Quality of life Plant design	Assessment centers Surveys Team building	Team building Interpersonal issues Surveys Group ctrs	Team building Productivity surveys Matrix task groups Assessment centers	Mgt workshop Team building Surveys Train line mgr Reward sharing	Survey Team building New plant start-ups Socio-Tech Vertical integration	Survey feedback	Survey	Survey Team building	Plant start-ups Mgrs course Leadership skills Content learning	Modified MBO Goal setting Team building Surveys	Survey Plant start-ups Team building Socio-Tech										

	EXXON	CON EDISON	CONN GENERAL	TELE COMM CORP	DOW	CN	SEARS	SAGA	SHELL	INSTRUMENTS	TEXAS	RETAIL GOODS MFR
	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Mandatory	Mandatory	Voluntary	Mandatory	Voluntary	Voluntary
Voluntary Use vs. Mandatory Use	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary	Mandatory	Mandatory	Voluntary	Mandatory	Voluntary	Voluntary
Acceptance of OD	Accepted	Limited org knowledge where known accepted	Varies Work with clients who like	Varied	Good	Growing	Widespread Part of mgt development	Permeates org Required for employment	Cultural style	Good	Cultural style	Cultural style
Evaluation	Anecdotal Socio-tech successes	Recognize requirement Limited measurement	Word of mouth No formal evaluation	Evaluation and cost benefit tied to every intervention	Limited evaluation	New plant and socio-tech	No measurement	No reqr No evaluation	Little eval	Little eval or feedback	Recognize need to see payoff	Recognize need to see payoff
Importance of Confidentiality		Yes	Very important	Yes	Yes	Yes			Yes	Yes		
Education of the OD Specialists	Facilitator workshops	Funded	Funded	Varies by affiliate	Seminars Workshops	Seminars Workshops	Funded	Funded	Seminars Workshops	Seminars Workshops	Seminars Workshops	Seminars Workshops
Research Effort	None	None	None	Internal	None	Some				In-house	In-house	In-house
Effect on Unionization	Positive effect in countering unions	Do not practice at union levels	N/A		95% non union OD given credit	Highly unionized Joint union mgt effort			Fewer unions than 8 yrs ago CD given credit	Resisted unions OD given credit		

	CONN		TELE		DOW	GM	SEARS	SAGA	SHELL	TEXAS INSTRUMENTS	RETAIL GOODS MFR
	EXXON	CON EDISON	GENERAL	COMM CORP							
OD in the Future	Not much change	Expanding upward in orgs	Stress work planning process More of same	Converge OD w/ORSA humanities Manage OD Need diagnostic function	More of same	Growing use	More of same	More of same		More formal tng of mgrs More of same	More formal tng of mgrs More of same

OD/OE APPLICATION MATRIX

<u>OD/OE TECHNIQUES</u>	<u>ESTIMATED DEGREE OF PRESENT OESO CAPABILITY</u>	<u>ACTUAL OR POTENTIAL ARMY APPLICATION</u>
PROCESSUAL		
Client Centered Counseling	Medium	Units, Staffs
Concepts Training	High	Units, Staffs, Schools
Laboratory Trng	None	---
Management by Objectives	Low	Units, Staffs
Management Seminars	High	Units, Staffs, Schools
Management Grid	Low	CGSC, SSC
Merger Laboratory	Medium	Project/Program Task Groups
Process Consultation	High	Units, Staffs
Survey Feedback	High	Units, Staffs, DARCOM
Survey Guided Development	Low	Units, Staffs
Team Development	High	All
3rd Party Consultation	High	Units, Staffs
SOCIO-TECHNICAL		
Decentralization	Low	Staffs, Units, MACOMs
Flow of Work	Low	DARCOM, Units, Tech Svcs
New Plants	Low	Reorganization, Unit Testing

<u>OD/OE TECHNIQUES</u>	<u>ESTIMATED DEGREE OF PRESENT OESO CAPABILITY</u>	<u>ACTUAL OR POTENTIAL ARMY APPLICATION</u>
Job Enrichment	Low	DARCOM, MACOMs, Units, Posts, Staffs
Venture Planning	Low	SELCOM, R&D, Project Mgrs
Leadership- Situation Experience	Low	Units, Staffs
Socio-Tech Fit	Low	DARCOM, Units, Tech Svcs
Structural Change	Low	Reorganization, Testing
Scientific Mgt	Low	DARCOM, Units
STRATEGIC		
Survey Feedback	Low	CSA, SELCOM, DA Staff
Client Centered Counseling	Medium	CSA, SELCOM, DA Staff
Management by Objectives	Low	CSA, SELCOM, DA Staff

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QUESTIONNAIRE

1. Are you?
 - a. Line manager.
 - b. Internal OD manager or consultant.
 - c. Please write your title _____.
2. Size of your organization:
 - a. Less than 5,000
 - b. 5,000 - 15,000
 - c. 15,000 - 50,000
 - d. 50,000 - 100,000
 - e. Over 100,000 (How large? _____)
3. What about some header questions?

Is function production?

Is function a service?

Is cooperation diversified?

Is cooperation multinational?

If so is OD used in international areas?
4. If you are a consultant at which level do you normally work?
 - a. Corporate headquarters only.
 - b. Throughout corporation as required.
 - c. Subordinate plant or organization.
 - d. I'm not an OD consultant.
5. OD effort is?
 - a. Mandatory throughout corporation.
 - b. Voluntary throughout corporation.
 - c. Mandatory at selected organizations.
 - d. Mandatory at certain organizational levels.
6. OD effort focuses on:
 - a. Production workers.

- b. Management.
 - c. Both.
7. OD effort uses primarily:
- a. Internal consultants.
 - b. External consultants.
 - c. Both.
8. OD effort is mainly supported by:
- a. Top management.
 - b. Middle management.
 - c. First line supervisors.
 - d. Production workers.
 - e. All of the above.
9. OD effort is mainly resisted by:
- a. Top management.
 - b. Middle management.
 - c. First line supervisors.
 - d. Production workers.
 - e. Union officials.
10. The effectiveness of OD is:
- a. Unknown.
 - b. Proven to have beneficial effects on production.
 - c. Proven to have beneficial effects on quality of work life.
 - d. Proven to have beneficial effects on reducing costs.
 - e. Proven to have beneficial effects on absenteeism or turnover.
 - f. Proven to improve attitudes of employees.
11. Involvement in OD by top management is:
- a. Directive in nature.

12. If external OD consultants are used they:

- a. Advise internal consultants.
- b. Conduct OE effort without internal consultants.
- c. Work jointly with internal consultants.

13. The success of this OD effort is determined through:

- a. Anecdotal experiences.
- b. Opinion or attitude surveys.
- c. Productivity or other "bottom line" reasons.
- d. Specifically designed evaluation tools.

14. In designing OD activities:

- a. An evaluation or research plan is developed prior to initiation of activities.
- b. Evaluation is conducted after the activity is terminated.
- c. No formal evaluation is conducted.

15. How are interventions inaugurated?

- a. Suggested by supervisor who perceives problem.
- b.. Instituted by suggestion program.
- c. Instituted by periodic survey.
- d. Activity sought out by OD staff.

16. OD activities in your organization were initiated because top management perceived a need to:

- a. Improve organizational functioning at the managerial level.
- b. Improve organizational functioning at the production worker level.
- c. Other organizations were using OD.
- d. Subelements in the organization developed local efforts which subsequently spread.

17. Decision workers in your organization:

- a. Use Od techniques to arrive at decisions.
- b. Use participative management.

- c. Use an OD consultant to facilitate decisions.
- d. Use OD to assist in conflict resolution.
- e. Do not personally use OD techniques as part of their management style.

18. Line managers in your organization:

- a. Uniformally support OD.
- b. Generally support OD.
- c. Are skeptical of the value of OD.
- d. Feel OD is imposed on them from above.
- e. Believe OD is the in-thing to do to get ahead.

19. Considering the subordinate organizations in your corporation, what percent are involved in OD activities?

- a. 10% or less.
- b. 20% or less.
- c. 50% or less.
- d. 75% or less.
- e. 100%.

20. How are OD services costed in your organization?

- a. Organizations using OD pay for the cost of the project.
- b. OD costs are paid for by the corporate headquarters.
- c. Both of the above.

21. Listed below are a number of OD activities. Please identify those in which your organization is involved.

Very	Somewhat	Rarely	Not
Active	Active	Used	Used

- a. Survey feedback:
- b. Team building:
- c. Process observation:
- d. Job enrichment/enlargement:
- e. Goal setting exercises:

Very	Somewhat	Rarely	Not
Active	Active	Used	Used

f. Conflict resolution:

g. Action planning/problem solving exercises:

h. Management development education:

i. Sensitivity training:

j. Role clarification:

k. Other _____:

22. The conduct of OD activities takes managers time. What percent of a managers time is involved in doing OE?

- a. 1%
- b. 3%
- c. 5%
- d. 10%
- e. Over 10%

23. Participatory decision making often is a part of an OD effort. It tends to be more time consuming than the more traditional approach. What do line managers using participatory decision making believe they gain through this approach?

- a. Little or no gain.
- b. More contented organization.
- c. Better quality decisions.
- d. Improved productivity.
- e. Other.

24. The attitudes throughout your organization towards the OD efforts:

- a. Very positive.
- b. Positive at the top.
- c. Some resistance throughout the organization.
- d. Resistance by line managers.

- e. Accepted as way of corporate life.
 - f. Accepted as way of line operations.
25. What is the worst effective way to gain acceptance of OD in your organization?
- a. Classes for managers.
 - b. Demonstration projects:
 - c. Directives by top echelon.
 - d. Other.
26. Formal OD efforts in your organization have been ongoing for less than:
- a. One year.
 - b. Two years.
 - c. Four years.
 - d. Over four years. (How long? _____)
27. An in-house OD capability was developed in your organization within the last:
- a. One year.
 - b. Two years.
 - c. Four years.
 - d. Over four years. (How long? _____)
 - e. There is no in-house capability.
28. Is impact of OD effort on productivity considered in company strategies planning?
- a. Yes.
 - b. No.

DISTRIBUTION

Commandant
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Commanding General
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