Organization Development & Change

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Designing Interventions

An organization development intervention is a sequence of activities, actions, and events intended to help an organization improve its performance and effectiveness. Intervention design, or action planning, derives from careful diagnosis and is meant to resolve specific problems and to improve particular areas of organizational functioning identified in the diagnosis. OD interventions vary from standardized programs that have been developed and used in many organizations to relatively unique programs tailored to a specific organization or department.

This chapter serves as an overview of the intervention design process: It describes criteria that define effective OD interventions and identifies contingencies that guide successful intervention design. Finally, the various types of OD interventions presented in this book are introduced. Parts 3 through 6 of this book describe fully the major interventions used in OD today.

WHAT ARE EFFECTIVE INTERVENTIONS?

The term “intervention” refers to a set of sequenced planned actions or events intended to help an organization increase its effectiveness. Interventions purposely disrupt the status quo; they are deliberate attempts to change an organization or subunit toward a different and more effective state. In OD, three major criteria define an effective intervention: (1) the extent to which it fits the needs of the organization; (2) the degree to which it is based on causal knowledge of intended outcomes; and (3) the extent to which it transfers change management competence to organization members.

The first criterion concerns the extent to which the intervention is relevant to the organization and its members. Effective interventions are based on valid information about the organization’s functioning: they provide organization members with opportunities to make free and informed choices; and they gain members’ internal commitment to those choices.¹

Valid information is the result of an accurate diagnosis of the organization’s functioning. It must reflect fairly what organization members perceive and feel about their primary concerns and issues. Free and informed choice suggests that members are actively involved in making decisions about the changes that will affect them. This principle also means that they can choose not to participate and that interventions will not be imposed on them. This is an important distinction between change management—where a change legitimately can be imposed on people—and OD—where the intent of the change process is to build capacity for change and increase effectiveness. Internal commitment means that organization members accept ownership of the intervention and take responsibility for implementing it. If interventions are to result in meaningful changes, management, staff, and other relevant members must be committed to carrying them out.

The second criterion of an effective intervention involves knowledge of outcomes. Because interventions are intended to produce specific results, they must be based on
valid knowledge that those outcomes actually can be produced. Otherwise there is no scientific basis for designing an effective OD intervention. Unfortunately—and in contrast to other applied disciplines, such as medicine and engineering—knowledge of intervention effects is in a rudimentary stage of development in OD. Much of the evaluation research lacks sufficient rigor to make strong causal inferences about the success or failure of change programs. (Chapter 11 discusses how to evaluate OD programs rigorously.) Moreover, few attempts have been made to examine the comparative effects of different OD techniques. All of these factors make it difficult to know whether one method is more effective than another.

Despite these problems, more attempts are being made to assess systematically the strengths and weaknesses of OD interventions and to compare the impact of different techniques on organization effectiveness. Many of the OD interventions that will be discussed briefly here and in more depth in Parts 3 through 6 have been subjected to evaluative research; chapters on the various change programs explore the research appropriate to them.

The third criterion of an effective intervention involves the extent to which it enhances the organization’s capacity to manage change. The values underlying OD suggest that following an intervention, organization members should be better able to carry out planned change activities on their own. From active participation in designing and implementing the intervention, they should gain knowledge and skill in managing change. Competence in change management is essential in today’s environment, where technological, social, economic, and political changes are rapid and persistent. Many organizations, such as Capital One, The Hartford, The Limited Brands, and Microsoft, recognize this need and are systematically building their change management capabilities.

**HOW TO DESIGN EFFECTIVE INTERVENTIONS**

Designing OD interventions requires paying careful attention to the needs and dynamics of the change situation and crafting a change program that will be consistent with the previously described criteria of effective interventions. Current knowledge of OD interventions provides only general prescriptions for change. There is scant precise information or research about how to design interventions or how they can be expected to interact with organizational conditions to achieve specific results. Moreover, because the ability to implement most OD interventions is highly dependent on the skills and knowledge of the change agent, the design of an intervention will depend to some extent on the expertise of the practitioner.

Two major sets of contingencies that can affect intervention success have been discussed in the OD literature: those having to do with the change situation (including the practitioner) and those related to the target of change. Both kinds of contingencies need to be considered in designing interventions.

**Contingencies Related to the Change Situation**

Researchers have identified a number of contingencies present in the change situation that can affect intervention success. These include individual differences among organization members (for example, needs for autonomy), organizational factors (for example, management style and technical uncertainty), and dimensions of the change process itself (for example, degree of top-management support). Unless these factors are taken into account, designing an intervention will have little impact on organizational functioning or, worse, it may produce negative results. For example, to resolve motivational problems among blue-collar workers in an oil refinery, it is important to know whether interventions intended to improve motivation (for example, job enrichment) will succeed with the kinds of people who work there. In many cases, knowledge of
these contingencies results in modifying or adjusting the change program to fit the setting. In applying a reward-system intervention to an organization, the changes might have to be modified depending on whether the firm wants to reinforce individual or team performance.

Although knowledge of contingencies is still at a rudimentary stage of development in OD, researchers have discovered several situational factors that can affect intervention success. These factors include contingencies for many of the interventions reviewed in this book, and they will be discussed in respective chapters describing the change programs. The more generic contingencies that apply to all OD interventions are presented below. They include situational factors that must be considered in designing any intervention: the organization’s readiness for change, its change capability, its cultural context, and the change agent’s skills and abilities.

**Readiness for Change** Intervention success depends heavily on the organization being ready for planned change. Indicators of readiness for change include sensitivity to pressures for change, dissatisfaction with the status quo, availability of resources to support change, and commitment of significant management time. When such conditions are present, interventions can be designed to address the organizational issues uncovered during diagnosis. When readiness for change is low, however, interventions need to focus first on increasing the organization’s willingness to change.

**Capability to Change** An organization’s change capability is a function of the change-related knowledge and skills present in the organization, the resources and systems devoted to change, and the organization’s experience with change. First, managing planned change requires particular knowledge and skills (as outlined in Chapter 10), including the ability to motivate change, to lead change, to develop political support, and to sustain momentum. Second, change requires an infrastructure to support the transition. Program and project management offices, consulting resources, and shared models of the change process are necessary to oversee execution. Finally, an organization must have experience with and learnings from change to have a change capability. If an organization does not have these resources, then a preliminary training intervention may be needed before members can engage meaningfully in intervention design.

**Cultural Context** The national culture within which the organization is embedded can exert a powerful influence on members’ reactions to change, so intervention design must account for the cultural values and assumptions held by organization members. Interventions may have to be modified to fit the local culture, particularly when OD practices developed in one culture are applied to organizations in another culture. For example, a team-building intervention designed for top managers at an American firm may need to be modified when applied to the company’s foreign subsidiaries. (Chapter 23 will describe the cultural values of different countries and show how interventions can be modified to fit different cultural contexts.)

**Capabilities of the Change Agent** Many failures in OD result when change agents apply interventions beyond their competence. In designing interventions, OD practitioners should assess their experience and expertise against the requirements needed to implement the intervention effectively. When a mismatch is discovered, practitioners can explore whether the intervention can be modified to fit their talents better, whether another intervention more suited to their skills can satisfy the organization’s needs, or whether they should enlist the assistance of another change agent who can guide the process more effectively. The ethical guidelines under which OD practitioners operate require full disclosure of the applicability of their knowledge and expertise to the client situation. Practitioners are expected to intervene within their capabilities or to recommend someone more suited to the client’s needs.
Contingencies Related to the Target of Change

OD interventions seek to change specific features or parts of organizations. These targets of change are the main focus of interventions, and researchers have identified two key contingencies related to change targets that can affect intervention success: the organizational issues that the intervention is intended to resolve and the level of organizational system at which the intervention is expected to have a primary impact.

Organizational Issues  Organizations need to address certain issues to operate effectively. Figure 9.1 lists these issues along with the OD interventions that are intended to resolve them. (The parts and chapters of this book that describe the specific interventions are also identified in the figure.) It shows the following four interrelated issues that are key targets of OD interventions:

1. **Strategic issues.** Organizations need to decide what products or services they will provide and the markets in which they will compete, as well as how to relate to their environments and how to transform themselves to keep pace with changing conditions. These strategic issues are among the most critical ones facing organizations in today’s changing and highly competitive environments. OD methods aimed at these issues are called strategic interventions. The methods are among the most recent additions to OD and include integrated strategic change, mergers and acquisitions, alliance and network development, and organization learning.

2. **Technological and structural issues.** Organizations must decide how to divide work into departments and then how to coordinate among those departments to support strategic directions. They also must make decisions about how to deliver products or services and how to link people to tasks. OD methods for dealing with these structural and technological issues are called technostructural interventions and include OD activities relating to organization design, employee involvement, and work design.

3. **Human resources issues.** These issues are concerned with attracting competent people to the organization, setting goals for them, appraising and rewarding their performance, and ensuring that they develop their careers and manage stress. OD techniques aimed at these issues are called human resources management interventions.

4. **Human process issues.** These issues have to do with social processes occurring among organization members, such as communication, decision making, leadership, and group dynamics. OD methods focusing on these kinds of issues are called human process interventions; included among them are some of the most common OD techniques, such as conflict resolution and team building.

Consistent with systems theory as described in Chapter 5, these organizational issues are interrelated and need to be integrated with one another. The double-headed arrows connecting the different issues in Figure 9.1 represent the fits or linkages among them. Organizations need to match answers to one set of questions with answers to other sets of questions to achieve high levels of effectiveness. For example, decisions about gaining competitive advantage need to fit with choices about organization structure, setting goals for and rewarding people, communication, and problem solving.

The interventions presented in this book are intended to resolve these different concerns. As shown in Figure 9.1, particular OD interventions apply to specific issues. Thus, intervention design must create change methods appropriate to the organizational issues identified in diagnosis. Moreover, because the organizational issues are themselves linked together, OD interventions similarly need to be integrated with one another. For example, a goal-setting intervention that tries to establish motivating goals may need to be integrated with supporting interventions, such as a reward system that links pay to goal achievement.
CHAPTER 9  Designing Interventions

[Figure 9.1]  Types of OD Interventions and Organizational Issues

**STRATEGIC CHANGE INTERVENTIONS**
- Chapter 20: Transformational Change
- Chapter 21: Continuous Change
- Chapter 22: Transorganizational Change

**STRATEGIC ISSUES**
- What functions, products, services, markets
- How to gain competitive advantage
- How to relate to environment
- What values will guide organizational functioning

**TECHNOSTRUCTURAL INTERVENTIONS**
- Chapter 14: Restructuring Organizations
- Chapter 15: Employee Involvement
- Chapter 16: Work Design

**TECHNOLOGY/STRUCTURE ISSUES**
- How to divide labor
- How to coordinate departments
- How to produce products or services
- How to design work

**HUMAN RESOURCES ISSUES**
- How to attract competent people
- How to set goals and reward people
- How to plan and develop people's careers

**HUMAN RESOURCES MANAGEMENT INTERVENTIONS**
- Chapter 17: Performance Management
- Chapter 18: Developing Talent
- Chapter 19: Managing Workforce Diversity and Wellness

**HUMAN PROCESS ISSUES**
- How to communicate
- How to solve problems
- How to make decisions
- How to interact
- How to lead

**HUMAN PROCESS INTERVENTIONS**
- Chapter 12: Interpersonal and Group Process Approaches
- Chapter 13: Organization Process Approaches
The key point is to think systemically. Interventions aimed at one kind of organizational issue will invariably have repercussions on other kinds of issues. Careful thinking about how OD interventions affect the different kinds of issues and how different change programs might be integrated to bring about a broader and more coherent impact on organizational functioning is critical to effective OD intervention.

**Organizational Levels** In addition to facing interrelated issues, organizations function at different levels: individual, group, organization, and transorganization. Thus, organizational levels are targets of change in OD. Table 9.1 lists OD interventions in terms of the level of organization that they primarily affect. For example, some technostructural interventions affect mainly individuals and groups (for example, work design), whereas others impact primarily the total organization (for example, structural design).

It is important to emphasize that only the primary level affected by the intervention is identified in Table 9.1. Many OD interventions also have a secondary impact on the other levels. For example, structural design affects mainly the organization level, but it can have an indirect effect on groups and individuals because it sets the broad parameters for designing work groups and individual jobs. Again, practitioners need to think systemically. They must design interventions to apply to specific organizational levels, address the possibility of cross-level effects, and perhaps integrate interventions affecting different levels to achieve overall success. For example, an intervention to create self-managed work teams may need to be linked to organization-level changes in measurement and reward systems to promote team-based work.

**OVERVIEW OF INTERVENTIONS**

The OD interventions discussed in Parts 3 through 6 of this book are briefly described below. They represent the major organization change methods used in OD today.

**Human Process Interventions**

Part 3 of the book presents interventions focusing on people within organizations and the processes through which they accomplish organizational goals. These processes include communication, problem solving, group decision making, and leadership. This type of intervention is deeply rooted in the history of OD and represents the earliest change programs characterizing OD. Human process interventions derive mainly from the disciplines of psychology and social psychology and the applied fields of group dynamics and human relations. Practitioners applying these interventions generally value human fulfillment and expect that organizational effectiveness follows from improved functioning of people and organizational processes.

Chapter 12 discusses human process interventions related to interpersonal relationships and group dynamics. These include the following three interventions:

1. **Process consultation.** This intervention focuses on interpersonal relations and social dynamics occurring in work groups. Typically, a process consultant helps group members diagnose group functioning and devise appropriate solutions to process problems, such as dysfunctional conflict, poor communication, and ineffective norms. The aim is to help members gain the skills and understanding necessary to identify and solve problems themselves.

2. **Third-party intervention.** This change method is a form of process consultation aimed at dysfunctional interpersonal relations in organizations. Interpersonal conflict may derive from substantive issues, such as disputes over work methods, or from interpersonal issues, such as miscommunication. The third-party intervener helps people resolve conflicts through such methods as problem solving, bargaining, and conciliation.
## Types of Interventions and Organization Levels

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3. **Team building.** This intervention helps work groups become more effective in accomplishing tasks. Like process consultation, team building helps members diagnose group processes and devise solutions to problems. It goes beyond group processes, however, to include examination of the group’s task, member roles, and strategies for performing tasks. The consultant also may function as a resource person offering expertise related to the group’s task.

Chapter 13 presents human process interventions that are more systemwide than those described in Chapter 12. They typically focus on the total organization or an entire department, as well as on relations between groups. These include the following three change programs:

1. **Organization confrontation meeting.** This change method mobilizes organization members to identify problems, set action targets, and begin working on problems. It is usually applied when organizations are experiencing stress and when management needs to organize resources for immediate problem solving. The intervention generally includes various groupings of employees in identifying and solving problems.

2. **Intergroup relations.** These interventions are designed to improve interactions among different groups or departments in organizations. The microcosm group intervention involves a small group of people whose backgrounds closely match the organizational problems being addressed. This group addresses the problem and develops means to solve it. The intergroup conflict model typically involves a consultant helping two groups understand the causes of their conflict and choose appropriate solutions.

3. **Large-group interventions.** These interventions involve getting a broad variety of stakeholders into a large meeting to clarify important values, to develop new ways of working, to articulate a new vision for the organization, or to solve pressing organizational problems. Such meetings are powerful tools for creating awareness of organizational problems and opportunities and for specifying valued directions for future action.

**Technostructural Interventions** Part 4 of the book presents interventions focusing on an organization’s technology (for example, task methods and job design) and structure (for example, division of labor and hierarchy). These change methods are receiving increasing attention in OD, especially in light of current concerns about productivity and organizational effectiveness. They include approaches to employee involvement, as well as methods for designing organizations, groups, and jobs. Technostructural interventions are rooted in the disciplines of engineering, sociology, and psychology and in the applied fields of sociotechnical systems and organization design. Practitioners generally stress both productivity and human fulfillment and expect that organization effectiveness will result from appropriate work designs and organization structures.¹¹

In Chapter 14, we discuss the following three technostructural interventions concerned with restructuring organizations:

1. **Structural design.** This change process concerns the organization’s division of labor—how to specialize task performances. Interventions aimed at structural design include moving from more traditional ways of dividing the organization’s overall work (such as functional, self-contained unit, and matrix structures) to more integrative and flexible forms (such as process-based, customer-centric, and network-based structures). Diagnostic guidelines exist to determine which
structure is appropriate for particular organizational environments, technologies, and conditions.

2. **Downsizing.** This intervention reduces costs and bureaucracy by decreasing the size of the organization through personnel layoffs, organization redesign, and outsourcing. Each of these downsizing methods must be planned with a clear understanding of the organization’s strategy.

3. **Reengineering.** This recent intervention radically redesigns the organization’s core work processes to create tighter linkage and coordination among the different tasks. This workflow integration results in faster, more responsive task performance. Reengineering is often accomplished with new information technology that permits employees to control and coordinate work processes more effectively. Reengineering often fails if it ignores basic principles and processes of OD.

Chapter 15 is concerned with *employee involvement* (EI). This broad category of interventions is aimed at improving employee well-being and organizational effectiveness. It generally attempts to move knowledge, power, information, and rewards downward in the organization. EI includes parallel structures (such as cooperative union–management projects and quality circles), total quality management, and high-involvement plants.

Chapter 16 discusses *work design*. These change programs are concerned with designing work for work groups and individual jobs. The intervention includes engineering, motivational, and sociotechnical systems approaches that produce traditionally designed jobs and work groups; enriched jobs that provide employees with greater task variety, autonomy, and feedback about results; and self-managing teams that can govern their own task behaviors with limited external control.

**Human Resources Management Interventions** Part 5 of the book focuses on interventions used to develop, integrate, and support people in organizations. These practices include career planning, reward systems, goal setting, and performance appraisal—change methods that traditionally have been associated with the human resources function in organizations. In recent years, interest has grown in integrating human resources management with OD. Human resources management interventions are rooted in labor relations and in the applied practices of compensation and benefits, employee selection and placement, performance appraisal, and career development. Practitioners in this area typically focus on the people in organizations, believing that organizational effectiveness results from improved practices for integrating employees into organizations.

Chapter 17 deals with interventions concerning performance management, including the following change programs:

1. **Goal setting.** This change program involves setting clear and challenging goals. It attempts to improve organization effectiveness by establishing a better fit between personal and organizational objectives. Managers and subordinates periodically meet to plan work, review accomplishments, and solve problems in achieving goals.

2. **Performance appraisal.** This intervention is a systematic process of jointly assessing work-related achievements, strengths, and weaknesses. It is the primary human resources management intervention for providing performance feedback to individuals and work groups. Performance appraisal represents an important link between goal setting and reward systems.

3. **Reward systems.** This intervention involves the design of organizational rewards to improve employee satisfaction and performance. It includes innovative approaches to pay, promotions, and fringe benefits.
Chapter 18 focuses on these three change methods associated with developing organizational talent:

1. **Coaching and mentoring.** This intervention helps managers and executives to clarify their goals, deal with potential stumbling blocks, and improve their performance. It often involves a one-on-one relationship between the OD practitioner and the client and focuses on personal learning that gets transferred into organizational results and more effective leadership skills.

2. **Career planning and development.** This intervention helps people choose organizations and career paths and attain career objectives. It generally focuses on managers and professional staff and is seen as a way of improving the quality of their work life.

3. **Management and leadership.** Among the oldest strategies for organizational change, training and development interventions increase organization members’ skills and knowledge. The focus of these interventions is on building the competencies needed to lead the organization in the future and includes traditional classroom lectures as well as simulations, action learning, and case studies.

Chapter 19 describes two interventions for supporting organization members:

1. **Managing workforce diversity.** This change program makes human resources practices more responsive to a variety of individual needs. Important trends, such as the increasing number of women, ethnic minorities, and physically and mentally challenged people in the workforce, require a more flexible set of policies and practices.

2. **Employee stress and wellness.** These interventions include employee assistance programs (EAPs) and stress management. EAPs are counseling programs that help employees deal with substance abuse and mental health, marital, and financial problems that often are associated with poor work performance. Stress management programs help workers cope with the negative consequences of stress at work. They help managers reduce specific sources of stress, such as role conflict and ambiguity, and provide methods for reducing such stress symptoms as hypertension and anxiety.

**Strategic Interventions** Part 6 of the book considers interventions that link the internal functioning of the organization to the larger environment and transform the organization to keep pace with changing conditions. These change programs are among the newest additions to OD. They are implemented organizationwide and bring about a fit between business strategy, structure, culture, and the larger environment. The interventions derive from the disciplines of strategic management, organization theory, economics, and anthropology.

In Chapter 20, we discuss interventions that transform the way the organization relates to its environment or operates internally:

1. **Integrated strategic change.** This comprehensive OD intervention describes how planned change can make a value-added contribution to strategic management. It argues that business strategies and organizational systems must be changed together in response to external and internal disruptions. A strategic change plan helps members manage the transition between a current strategy and organization design and the desired future strategic orientation.

2. **Organization design.** This intervention addresses the organization’s architecture, or the extent to which structure, work design, human resource practices, and management and information systems are in alignment and support each other. It is a systemic view of the organization that attempts to direct member behavior in a consistent and strategic direction.
3. **Culture change.** This intervention helps organizations develop cultures (behaviors, values, beliefs, and norms) appropriate to their strategies and environments. It focuses on developing a strong organization culture to keep organization members pulling in the same direction.

Chapter 21 addresses strategic interventions that shape the collaborative strategies of organizations:

1. **Mergers and acquisitions.** This intervention describes how OD practitioners can assist two or more organizations to form a new entity. Addressing key strategic, leadership, and cultural issues prior to the legal and financial transaction helps to smooth operational integration.

2. **Alliances.** This collaborative intervention helps two organizations pursue a set of private and common goals through the sharing of resources, including intellectual property, people, capital, technology, capabilities, or physical assets. Effective alliance development generally follows a process of strategy formulation, partner selection, alliance structuring and start-up, and alliance operation and adjustment.

3. **Networks.** This intervention helps to develop relationships among three or more organizations to perform tasks or solve problems that are too complex for single organizations to resolve. It helps organizations recognize the need for partnerships and develop appropriate structures for implementing them. It also addresses how to manage change within existing networks.

In the final chapter of Part 6, we discuss three interventions that are designed to support continuous change:

1. **Self-designing organizations.** This change program helps organizations gain the capacity to alter themselves fundamentally. It is a highly participative process involving multiple stakeholders in setting strategic directions and designing and implementing appropriate structures and processes. Organizations learn how to design and implement their own strategic changes.

2. **Organization learning and knowledge management.** This intervention describes two interrelated change processes: organization learning (OL), which seeks to enhance an organization’s capability to acquire and develop new knowledge, and knowledge management (KM), which focuses on how that knowledge can be organized and used to improve organization performance. These interventions move the organization beyond solving existing problems so as to become capable of continuous improvement.

3. **Built to change organizations.** This approach to continuous change challenges traditional design principles that view stability and equilibrium as the keys to success. These principles support the belief that change is costly and should be avoided. Built to change organizations, on the other hand, assume that the source of effectiveness is the ability to change continuously. The features, skills and knowledge, and processes of leading and managing these adaptable organizations are described.

**SUMMARY**

This chapter presented an overview of interventions currently used in OD. An intervention is a set of planned activities intended to help an organization improve its performance and effectiveness. Effective interventions are designed to fit the needs of the organization, are based on causal knowledge of intended outcomes, and transfer competence to manage change to organization members.
Intervention design involves understanding situational contingencies such as individual differences among organization members and dimensions of the change process itself. Four key organizational factors—readiness for change, capability to change, cultural context, and the capabilities of the change agent—affect the design and implementation of almost any intervention.

Furthermore, OD interventions seek to change specific features or parts of organizations. These targets of change can be classified based on the organizational issues that the intervention is intended to resolve and the level of organizational system at which the intervention is expected to have a primary impact. Four types of OD interventions are addressed in this book: (1) human process programs aimed at people within organizations and their interaction processes; (2) technostructural methods directed at organization technology and structures for linking people and technology; (3) human resources management interventions focused at integrating people into the organization successfully; and (4) strategic programs targeted at how the organization uses its resources to gain a competitive advantage in the larger environment. For each type of intervention, specific change programs at different organization levels are discussed in Parts 3 through 6 of this book.

NOTES


