

A Systems Approach to OD

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Current-day theorists in management and organizational behavior heavily emphasize the "systems approach," meaning an ongoing, committed relationship between consultant and client. Without such a working method, claim the authors of texts and articles, efforts to reshape management and organizational networks are likely to fall prey to "programitis" or "projectitis," whereby the total picture shows patchwork symptoms of splicing together short-term, limited projects.^{1,2,3}

Yet, actual practice in business and industry seems to favor the project or program approach. An informal survey, conducted among large national CPA firms offering management advisory services, indicated the average length of such assignments to be three months. Most typically, the assignments dealt with specific projects such as salary administration plans, management incentive plans and other specialized programs.

Further review showed that consultants' assignments lean toward such specialized parts of organizational development as interviewing candidates for managerial openings, interviewing or assessing current employees being considered for

promotion, counseling in such areas as career pathing, individual problems or serving as "process" observers in management meetings.

Undoubtedly, a scarcity of genuine total systems management can be attributed to hesitation on the part of the client firm to commit, up-front, to a long-range relationship with a consultant. Clients may often be cautious about the financial commitment involved or may be eager to see quick results provided by a project approach.

In turn, our observation of many organization development colleagues suggests that most respond to this client orientation by emphasizing a particular method of intervention in client firms. Perhaps the method is a form of data feedback and problem-solving, or a preference for the use of job-enrichment techniques, the use of behavior-modification techniques or a method for assessing and dealing with training and development needs of the client organization's human resources.

We have noted such infrequent use of a genuine *systems approach* to organizational development that we might ironically call ours a "new" approach—new in the sense of being novel or infrequently employed.

The systems approach to organization development, it seems to us, involves certain assumptions:

- The organization development effort will be relatively long-term in nature. It is difficult to make a significant impact on

an organization in a short-term assignment. "Long-term" here means a relationship of one year or more. We expect our clients to make an up-front commitment of at least one year, contingent upon satisfactory progress reviews of consultant performance quarterly.

- The effort will depend upon effective diagnosis in the key functional management areas of planning, organizing, leading and controlling. An ongoing application of management systems may then be used effectively in areas requiring such attention.

- A variety of available management systems we have developed may be prescribed to treat client needs in any of the areas diagnosed as requiring attention.

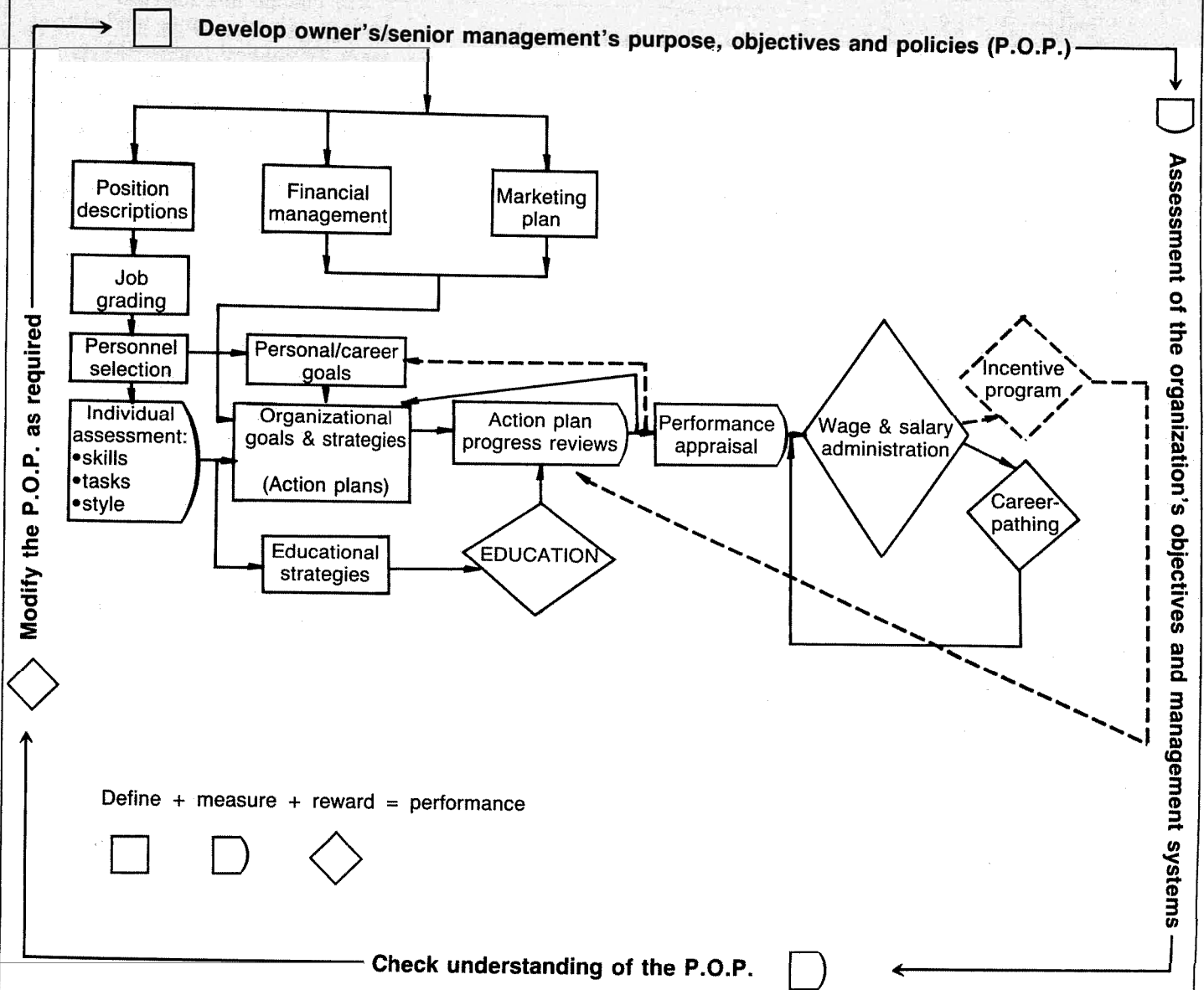
These interventions could include such approaches as data feedback, training and development strategies and programs, purpose and policy formulation, development of teamwork, performance reward systems, job enrichment, career pathing or a host of other systems. We believe that the application of management systems in a long-range context can produce measurable results in three distinct areas: increased productivity, employee satisfaction and improved job and personal skills.

Increased productivity may be measured by selection and accomplishment of goals which provide maximum support of the organization's overall objectives. Employee satisfaction is demonstrated, in the short run, by the personal report of the

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Figure 1.

Model for initial involvement with client firm



organization's personnel. In long-range context it is shown by reduction of unwanted turnover.

Increased job and personal skills are measurable by selection and accomplishment of goals in four areas: management team effectiveness, development of subordinates' skills, development of the leadership individual's own job skills and accomplishment of that individual's own personal goals.

Improving effectiveness of the organization through day-to-day use of management systems involves:

- Defining the organization's

purpose, objectives and policies;

- Assessing key manager's capabilities as well as their desire and capacity to make a career commitment with the organization;

- Installing management systems and teaching key managers how to use them;

- Developing effective teamwork among the key departmental and divisional groups.

A basic model for the consulting resource group's initial involvement with the client organization is shown in Figure 1. Assessing the effectiveness of management systems statistically

is often difficult, since the impact on the client organization is more often qualitative. We have, however, assembled support data for three selected client firms.

Finance firm

This organization is a large national financial-services company which provides investment services to individual clients. The organizational development effort was measured from April 1978 through March 1979. The four variables which management most wanted to influence were total weighted production, number of applications recruited

for marketing positions, number of applications appointed to marketing positions and number of terminations from the marketing group.

The experimental group consisted of 17 district managers in northern California, while the control group included 550 district managers nationwide.

Three of four comparisons tended to be favorable to the experimental group (applicants, appointments and terminations). Weighted production, however, was less in the experimental group. This may be ascribable to the "Herzberg effect," which suggests that before things get better, they worsen in an experimental group adjusting to change.

Consumer-products company

The second organization we have selected for analysis of improvement is a large consumer-products company engaged in producing and marketing audiovisual merchandise. We were engaged as consultants in October 1977 to provide organization development for 14 managers—some newly appointed and some experienced, with a wide range of job capability.

The following month, we instituted a developmental program which included group classroom training, individual counseling, on-the-job feedback and an analysis of significant environmental factors. The final reinforcement session was conducted in July 1978, and a concluding measurement of training effect was administered in September of that year.

Banking firm

The third and final organization we will examine here is a large multi-branch banking company in California. This assignment involved 80 managers in a major division of that company; activities during the initial period of the assignment included:

- Interviews with the chief executive of this division, which resulted in writing his organizational objectives and policies;

- Interviews with 80 managers in this division to determine what they wanted for themselves;

- Interviews with heads of related organizational units to determine their views of this division's effectiveness;

- Administering assessment documents to complete a task-skill matrix for each manager, with the purpose of identifying high-appearing strengths, weaknesses and development needs;

- Identifying management style of each participant and providing feedback for effective interaction between bosses, subordinates and peers;

- Recommending development strategies for each participating manager.

One method of evaluating progress during the first year of this assignment included comparing initial assessments of participants with new assessments completed at the end of the year. The principal data involved comparisons of ratings of a number of developmental variables as judged by participants, their bosses, peers and subordinates.

Examples of such variables included: use of tools related to selecting goals and measuring progress; supervisors' involvement in the development of subordinates; physical and logistical supervision constraints and their spans; development activities and career goals; current level of effectiveness on reaching job goals; handling of typical situations; task proficiency; skill proficiency; current knowledge of motivational research; participants' points of view regarding their status in the organization and participants' diagnoses of improvements required in the organization.

Two main comparisons were reviewed between baseline and year-later assessment data: change in numerical ratings of participants on a seven-point scale and change in agreement of rating between the participants' self-ratings and their assessors. (A "disagreement" in points of view is said to occur when the

self-rating and composite rating differ by more than one point on the seven-point scale.)

The change in numerical ratings of participants tended to show substantial movement in the direction of improved effectiveness, but specific significance could not be concluded because of the small size of the sample. A substantial trend in the direction of reduced "disagreement" was also reflected in the data, but again specific conclusions regarding statistical significance could not be drawn.

Our conclusions at this point are based on a qualitative evaluation of progress, rather than on a quantitative analysis. Recommendations for future evaluation of effectiveness include the use of experimental vs. control groups to permit a more specific measure of significance.

In our experience during the past five years, a systems approach to organization development has been shown to be both practical and productive. Our results suggest an apparent advantage of such a method over the project approaches in producing specific, lasting improvements in organization development.

No doubt the popularity of the systems approach in the future will depend upon its availability from consulting firms and the willingness of client firms to enter into the kind of commitment that makes the systems approach work. For those organizations which have experienced problematic results from project-oriented consultative work, the longer-term, wider-reaching scope of systems orientation may well be the medicine they need.

References

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