

# What is Organisation Development?

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## Systems Thinking at Work

### Introduction

What is Organisation Development? It might be useful to start with what it isn't. For example Organisation Development (OD):

- Is not the CEO's latest management fad
- Is not the softer, 'touchy feely, new age' approach to management
- Is not the HR Department
- Isn't short term and it won't go away.

Organisation Development is the fundamental connectedness of everything to everything else in an organisation. It is a systems thinking approach to organisations. OD applies to the strategy, structure and processes of an entire system, such as an organisation, a department, a team or a work group. It encompasses all that goes on in a workplace including:

- Organisational culture
- Leadership and management
- Strategy and structure
- Productivity and performance
- Systems and processes
- Creation and subsequent reinforcement of change
- Innovation and problem solving
- People and workplace relationships
- Group dynamics
- Work design and risk management

This comprehensive range of subjects distinguishes OD from such applications as management consulting, technological innovation, or operations management that emphasise the economic, financial, and technical aspects of organisations. These approaches tend to neglect the personal and social characteristics of a system.

### Systems Thinking

Perhaps a good way of understanding systems thinking in organisations is to think in terms of the metaphor of the frog and the bicycle. Bikes and frogs are different kinds of systems and the capacity to distinguish between them is really where OD sits. The essential difference between the frog and the bicycle, viewed as systems, lies in the relationship of the parts to the whole. You can dismantle a bike into its component parts,

examine, replace or refine some of the parts – put it back together and it will still work as a bike – as before.

The frog is different. Once you have removed a part, the entire system is affected instantly and unpredictably for the worse. And if you go on removing parts, whilst the frog will struggle to make the necessary adjustments to survive the trauma – often for an extraordinarily long period of time - eventually the whole system collapses. Once the frog has died no amount of surgery, remedial attention or management consultants will revive it.

Whilst the OD perspective of organisations is that they are more like the frog – more like a living system, most large organisations do have a mixture of bike bits and frog bits. In other words, there are bike-like parts that can be hived off without creating any sustainable damage and there are frog parts, which are core to the system – like finance. If we risk taking the metaphor a tad too far, the finance or corporate services function in an organisation is in the head of the frog. Remove it and the frog might jump around for a while, but the frog cannot live for long without its head...OR its heart.

### **Current Trends in Management**

In the past the emphasis has been on the mechanistic or the bicycle style of management. This approach, which is based on process modelling and financial modelling, is being questioned quite widely. Leon Zimmerman, who established the MBA program at Swinburne is amongst many international academics that seriously question the value of the mechanistic approach to '*management by MBA*' in organisations. These academics say that the mystique that was generated by the MBA was very seductive and inherently optimistic, but also misguided.

MBA purports that progress is achieved through the perfection of structures, in order to control behaviour. The MBA culture is now seen to have created a generation of professional managers, who brought what they learned to organisational life – namely, principles of bargaining, emotional control, human relations skills, and the technology of quantitative control. They learned to be managers instead of leaders.

Local and global events of recent times do not lend themselves to process modelling as a solution. If we do adopt process modelling, we risk making the same mistakes we have in the past and recreating the same problems. Organisation Development allows and encourages independent thinking, innovation and genuine leadership in a more organic, future oriented and sustainable context.

Remember what Albert Einstein said:

*"You cannot solve the problem with the same thinking that created it."*

### **Bringing Back the Balance**

Business doesn't have to look far to find examples of where the bicycle approach has impacted on organisational success. Take outsourcing and

shared services, where productivity and competition became the game and a classic example of dissecting an organisation into disparate parts – often in competition with each other. Whilst there were some gains, there were also some spectacular losses.

People in business feel alienated, and undervalued – pressured to perform as an accountable, measurable resource. Stress related problems have increased. Trust and security are eroding. Management and staff alike have been working harder and longer. The bar seems to be constantly rising. And did we do it better? We will leave that for you to decide.

Writers and Psychologists like Peter O’Connor, who writes for The Age, have coined the phrase, “Workplace Woes”. This refers to a very common experience in the workplace of feeling powerless and exhausted by the demands of work. Work is given priority over relationships – how often have you responded to an invitation, “Oh I would love to, but I have too much work to do”? As work becomes more specialised and outsourced, more focused on the speed of technology rather than the pace of people, we feel further alienated from each other and lack the sense of belonging to something whole and meaningful.

### **The Future**

If organisation development is the connectedness between everything and everything else in an organisation then the solution is easy. Begin to lead your organisation by looking beyond the parts to the whole. You need to see below the surface structure because this is where the real motivation to perform and excel lies – in the personal value systems of the individuals. What drives most of us at work is not the work ethic but the need to add value, to achieve – to make a difference and to belong to something greater than ourselves.

Before you think we are going too soft, let’s revisit the frog metaphor as a useful way to reinforce the point that most complex systems like business, which serve and contain people, have natural properties. Effective leadership and management aligns itself with the natural flows and processes of the organisation, and facilitates their progress. You have probably been just as frustrated as everyone else by the mechanistic fad style management theories, which are more likely to distort and confuse things than fix them.

If you do engage in an OD approach to organisational life, then your challenge is to lead as well as manage. You must ask more *why* questions rather than *what* or *how* questions. Become a learner and a doer rather than a knower. And this will prompt you realisation that thinking about the human side of enterprise could be a significant value add for your client.

Remember, even if you still believe in the relevance of the bike metaphor for the future of organisational life, ask yourself: “Who is riding the bike?”

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