Organizational Development Process Cheat Sheet

Build effectiveness and capacity to change in **5 steps**

AIHR ACADEMY TO INNOVATE HR

Introduction

Organizational Development for HR professionals

We live in a VUCA world: volatile, uncertain, complex and ambiguous. Crises, constant innovation, and change have companies like yours facing new challenges every day, making effectiveness and capacity for change are more important than ever. And as an HR professional, you can make a real difference with smart use of Organizational Development skills.

What is Organizational Development?

OD is a critical, science-based process that provides a structured approach to building effective, adaptable organizations. While OD isn't an HR discipline, there is a certain degree of overlap: for example, some OD interventions relate to HRM, such as talent management.

How to use this guide

This guide provides a primer on the 5-step Organizational Development process, and provides practical tips and insights to help you get a better understanding of this increasingly important area of expertise.

Organizational Development in action

The trigger

Before we get started with the process, let's take a look at what Organizational Development looks like in practice. We'll take the case of a coffee bean company.

This organization occasionally struggles with their coffee bean supply. Things came to a head last quarter, when the company missed its sales targets. An inquiry was launched.

The challenge

This revealed a misalignment between the increasingly unstable political landscape of the coffee production countries, leading to supply disruptions, and the fixed organizational structure. Not only that: further inquiry into the company's decision-making processes showed that decisions to switch supply lines needed C-level approval, resulting in delays in decision-making capabilities.

These two issues were the reason that the organization wasn't able to hit its sales targets.

The intervention and results

To fix this, the organization decided to speed up decision-making by moving the responsibility for supply chain management and procurement to a lower level in the organization. This made the company more flexible and better able to respond to changes in the external environment.

In this case, the company used an OD intervention called organizational design to address the issue at hand. But what process did they use, and where does HR fit into it?

In the remainder of this cheat sheet we'll cover the Organizational Development process, most common OD interventions, and tips for using this in your own company.

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Step 1. Entering and contracting

An opportunity for improvement

The Organizational Development process starts when a manager or administrator identifies an opportunity for improvement. Possible triggers include:

- External changes affecting the organization
- Internal conflicts
- Complaints received from customers
- A loss of profits
- A lack of innovation
- High levels of absenteeism or turnover

Once the problem has been pinpointed, there is a meeting between the "client" (the manager or leader you are primarily working for or with) and the OD practitioner to scope the problem and set the initial perimeters.

Step 1. Entering and contracting

Creating the contract

This is relevant to all OD practitioners, both internal and external. It's not about signing a literal contract, but setting expectations and making agreements.

Problems in OD projects are often caused by mistakes made in this phase. That's why it's key to discuss and agree on both the **what** (core tasks, deliverables, scope, methods, timelines, and measures of success) and the **how** (how the work will be done, and how practitioner and client expect each other to behave in the working relationship).

The Perceived Weirdness Index

Long-time OD practitioner Jonno Hanafin claims that the success of an OD project is partially determined by where you fall on his Perceived Weirdness Index (PWI).

If you aren't perceived in an organization as being weird enough, you run the risk of being absorbed into the system, making it harder to get the client's attention. **This is particularly challenging for internal practitioners.**

But you can also be too weird, which can result in the client not being able to tolerate your difference — and rejecting your work.

Step 2. Diagnosing

A data-driven approach

With the problem identified and expectations set, it's time to gather your data. In order to accurately diagnose the source of the problem you need to understand how the organization (or "system") currently works and design effective interventions that will solve the problem(s) identified in the previous step.

Tip

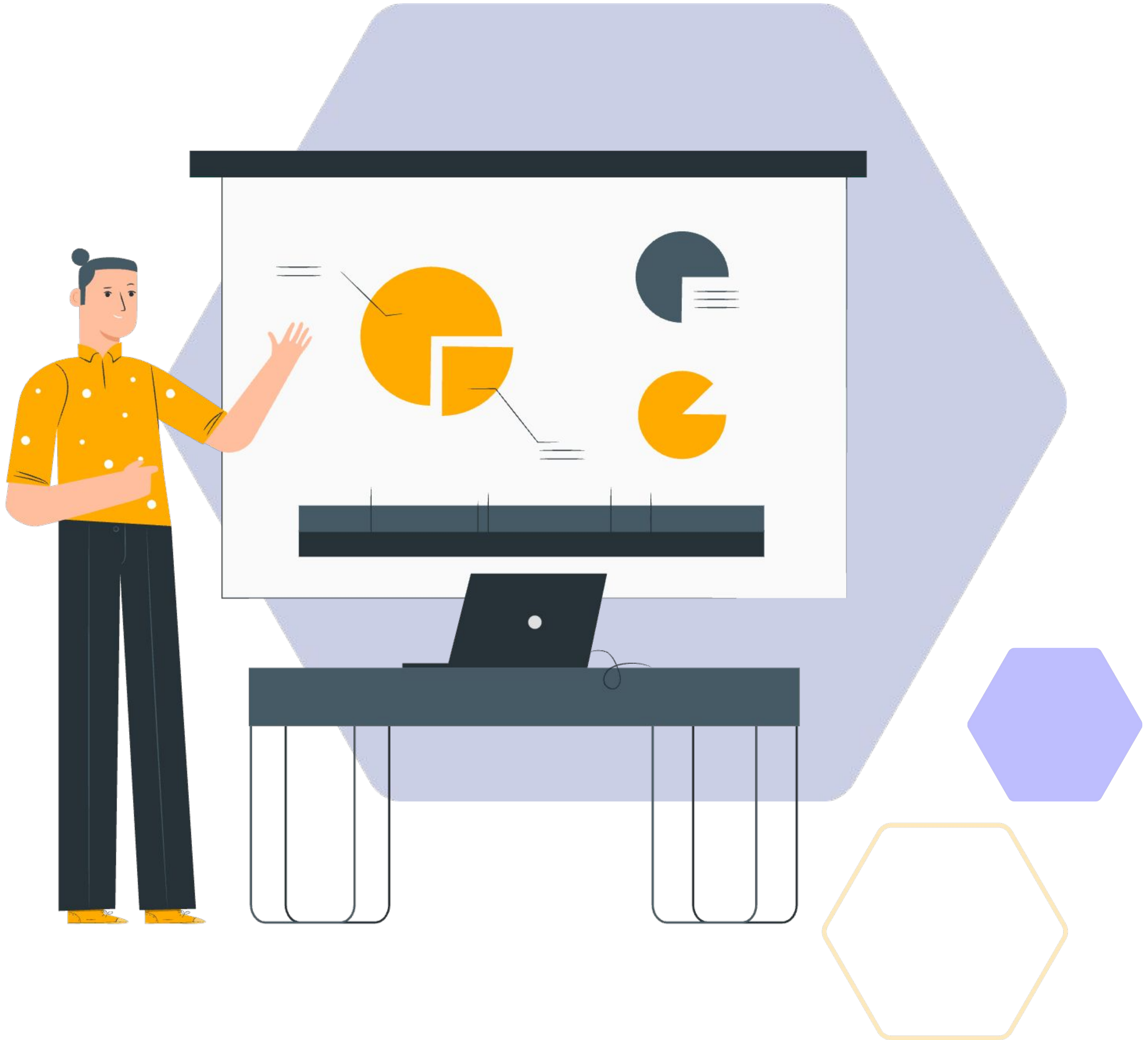
Involve others when you analyze the information you've collected. Having multiple perspectives means there may be multiple interpretations and therefore more insights that can help you understand issues and design interventions.

Types of data to collect

- **Financial**
  Information relating to business performance or financial results.
- **Workforce**
  Information about employees: roles, skills, turnover and so on.
- **Survey**
  Information like employee opinions, feedback and engagement.

You could also consider using external data about competitors for benchmarking, for instance.

Step 2. Diagnosing



Sharing insights

Once you've reached a diagnosis, it's time to communicate the findings to key stakeholders. When providing feedback to the organization, it’s not just what you share that matters — how you share it is also crucial.

When you prepare your feedback, consider how much time your stakeholders have to go over your input. You might have uncovered enough insights to fill 100 slides, but will they have time to go over the entire deck?

Chances are you’ll have to summarize your findings. When choosing what to include, make sure that you also consider which insights will mobilize stakeholders to make change happen, as that is the ultimate goal of the OD process.

Step 3. Intervening and taking action

Design the right interventions

At this point, you have thoroughly researched the organizational challenges and helped the client understand them. With everyone aligned and motivated, it's time to find solutions to the problems at hand and design interventions.

Intervention examples

- **Organization Level Interventions**
  - Organization Design
  - Culture change
  - Diversity, Equity and Inclusion work
  - Strategic planning and implementation
- **Group Level Interventions**
  - Team building
  - Conflict resolution
- **Individual Level Interventions**
  - Coaching, mentoring or counselling
  - Job shadowing, job rotation
  - Job redesign, job enrichment, job enlargement

Step 3. Intervening and taking action

Questions to ask

Not every intervention will work for every organization. When designing interventions, ask questions such as:

- What are your target areas of change?
- Should activities be focused on tasks, relationships or processes?
- What is the best channel for delivering this activity?
- Which tools or techniques may be helpful?
- What level of intensity can the group tolerate (at the start)?

Not sure what we mean by intensity? Turn to the next page for more information.

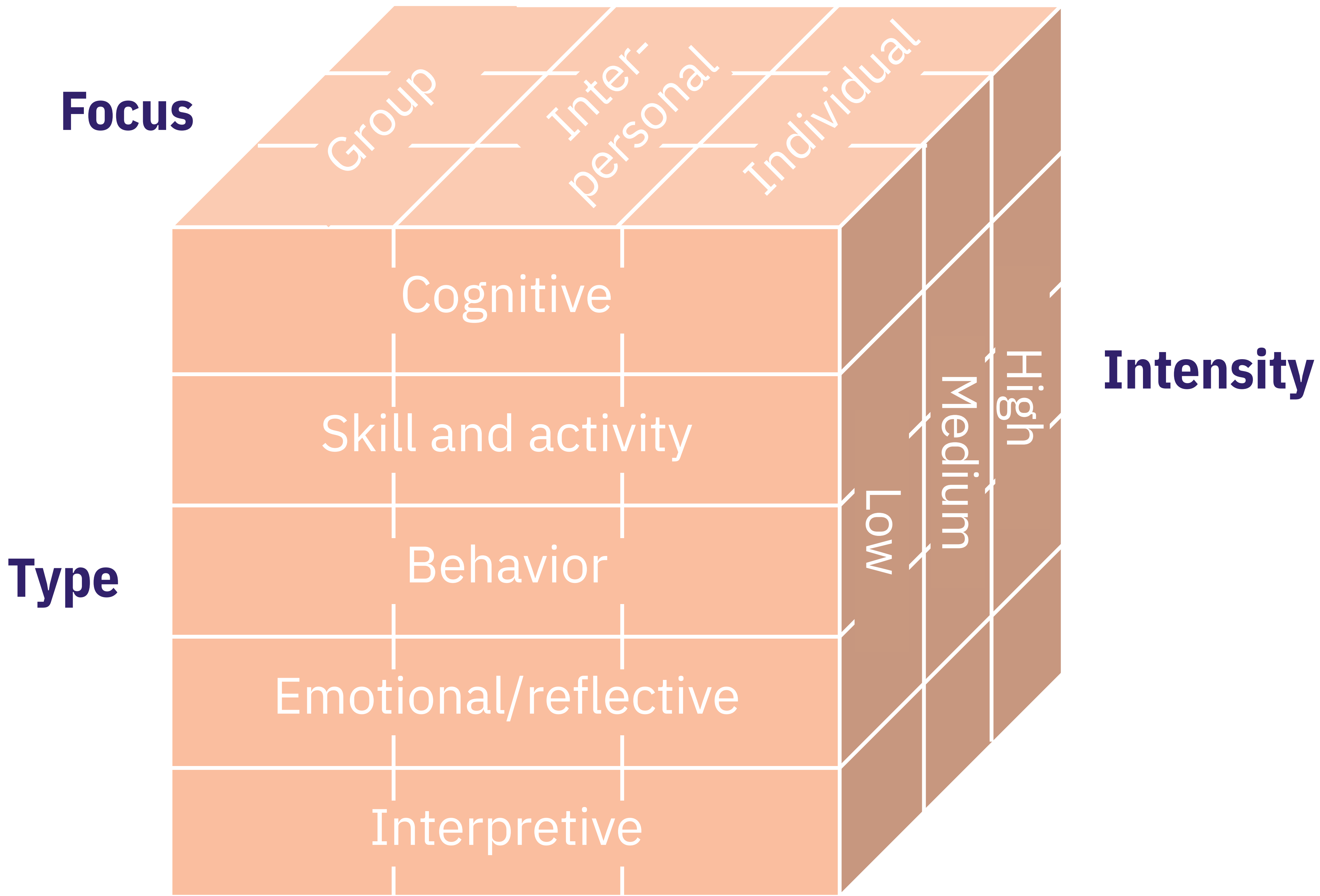
Step 3. Intervening and taking action

Intervention categories: Reddy's cube

During the intervention design process, it's important to think about the kind of intervention that will work in the situation at hand. Thinking about interventions in terms of categories can make it easier to identify what you need.

Reddy's Cube uses 3 dimensions to classify interventions, based on **scale** (individual, interpersonal, group), **intensity** (low, medium high) and **intervention type**:

- **Cognitive**: increasing knowledge and understanding of a matter
- **Skill and activity**: increasing the ability to do something
- **Behavior**: changing current behavior
- **Emotional/reflective**: releasing pent-up emotions and learning to use emotion to remain reflective
- **Interpretive**: a paradigm shift



Step 3. Intervening and taking action

Implementing interventions

Based on the questions you've asked and the type of improvement needed, you have designed and selected the best interventions. Now it’s time to implement them. As you start to intervene, you will get more data about the system: what works and what doesn’t. This can help you further improve the interventions.

Tip

Getting the client involved in the implementation increases the chances of them taking ownership.

Step 4. Evaluating and providing feedback

Getting the right data

You want to make sure that your interventions are working as intended — and that the client sees the value of your work. This builds credibility and trust.

Here at AIHR, we are huge proponents of making smart use of data, something that is often easier said than done. Discuss which metrics and measurement methods to use in the contracting phase, and set up regular reviews with the client to see if you're aligned on your interpretation of evaluation data: is there anything either of you is missing, or is someone interpreting the data differently?

Step 4. Evaluating and providing feedback

Levels of evaluation

An evaluation model from Learning & Development can also be useful for reviewing OD interventions: **Kirkpatrick's four levels of evaluation**.

- **Reaction**
  Overall perceptions from people in the system. One way to measure this is with experience surveys.
- **Learning**
  Have employees gained any new insights, awareness, skills or experiences thanks to the intervention?
- **Behavior**
  Gauging changes in thinking, being, and doing. This can be measured with self-assessments or 360-degree feedback, for instance.
- **Results**
  What is the impact on groups such as customers and shareholders? Or organizational measures, such as financial numbers and external ratings?

Tip

More isn't better when it comes to measures. There is no perfect number. You want enough data to grant insight into the balance of your intervention: 10 is probably too many, while 1 may not be enough.

Step 5. Endings and exit

The final hurdle

The importance of endings cannot be understated. If handled incorrectly, you may face an impact on employee engagement, trust, productivity and performance.

If the intervention results in redundancies, for instance, you may be faced with frustration, upset and even anger. Livelihoods are lost, along with bonds and alliances. Those who keep their jobs may also feel guilt.

Paying attention to the holistic experience, **including the emotional and psychological impact of change**, can contribute to the success of the implementation. Pay attention to the endings if and when you become aware that there may be related issues.

Providing support

How can you support the people or the organization in a way that has them feel safe?

- Surface and acknowledge grief, and give it the space it needs.
- Ensure people feel safe to express themselves: listen without trying to hasten or solve the matter.
- Create conditions where people believe what they say is confidential, and won't be twisted or used against them.

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