



# Exploring the Relationship between Organization Development and Change Management

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In the past decade, change management has emerged and grown significantly. We all recognize the acceleration of continuous change, increased need for change implementation help, and generally poor results across many change approaches. However, why change management? This chapter explores the dynamics between the two fields of organization development (OD) and change management (CM).

As often happens with many emergent groups, they tend to create new identities, highlight their differentiation, create separate associations, and find fault with closely related fields. CM advocates often describe OD as:

- Too high-level, conceptual, soft, and touchy feely
- Not pragmatic enough
- Does not pay enough attention to on-the-ground implementation
- Too disconnected from delivering real traction/ROI

While OD advocates often describe CM as:

- Just a rebranding of what we have been doing and on the more critical side
- Too mechanical and too focused on tools
- Too structured and “one size fits all”
- Too focused on the project and not enough on the people and the system

We came together to explore the differences and similarities in the two fields. We began by acknowledging that our unique perspectives, as shaped by our deep individual experiences and scholarship, probably led us into biases. This realization liberated us to speak more freely and candidly—to really probe the potential overlap and differences.

We have consequentially approached our chapter on the premise that aligning on common goals and recognizing the different levels of delivery and foci of interventions is the key to optimizing them in concert. Further, we recognized that, given that the changing nature of change is only accelerating and becoming more complex, the onus is on us to raise our game. This leads us to the need for multidisciplinary perspectives inclusive of CM and OD.

Our intents in the chapter are: to bring clarity to the fields, their overlaps and differentiated contributions, and to conclude with some suggestions on how to optimize the benefits of CM and OD.

## WHAT IS ORGANIZATION DEVELOPMENT?

OD is best known as a process of planned intervention(s) utilizing behavioral and organizational science principles to change a system and improve its effectiveness, conducted in accordance with values of humanism, participation, choice, and development so the organization and its members learn and develop (Jamieson 2014). The focus of OD work is:

- Series of planned and emergent actions that intervene in organization structures, systems, processes, and relationships
- Using theory, principles, and practices from the behavioral (psychology, sociology, anthropology, and economics) and organization (organization theory, organization design, systems theory, management theory) sciences
- Understanding an organization system and its present behaviors and taking actions to improve its effectiveness in achieving its mission, strategy, or desired outcomes (process and content, mission and results, social and technical), and its workplace health
- Conducting in accord with certain values, guiding both processes and outcomes, that are represented by: humanism (authenticity, openness, honesty, fairness, justice, equality, diversity, respect); participation (involvement, participation, voice, responsibility, opportunity, collaboration, democratic principles and practices); choice (options, rights, accountability); development (personal growth, reaching potential, learning, self-actualization)
- Having the organization and its members learn and grow in capacity, capability, and achievement of potential

OD is concerned with whole organization systems at different levels and scale. Because systems are regularly nested in larger systems, it is important to begin with the organization's context (environment, societal, sector, and cultural influences) and clear desired outcomes (what is effectiveness and health for this system). Next, one must know the relevant stakeholders that make up and influence this system (Who cares? Who counts? How influential are they?). Finally, an understanding of the presenting situation (changes, events, trends, successes, failures, markets, products/services, etc.) is needed. One is then prepared to plan change and draw on relevant theory and methods to apply. Each situation has differences, so little is prepackaged but the process is developed along the way from current data, experiences, and drivers. As one author often stated, "If you know step two, you're probably not doing OD."

## WHAT IS CHANGE MANAGEMENT?

A regional utilities firm is undergoing a strategic transformation to become more customer-focused. A global manufacturer is implementing the next iteration of its enterprise resource planning (ERP) application to improve end-to-end data flows. A local health care system is installing electronic medical records to become compliant and improve access to information. A food and beverage firm is introducing an open office concept. A management consulting firm is moving from desktop applications to web-based applications.

While each of these efforts is varied in motivation, impact, scope, and strategic importance, there is a single common denominator for achieving the desired results and outcomes of these initiatives. Each impacts how individual employees do their jobs (for example, their processes, workflows, systems, tools, critical behaviors, and mindsets, to name a few). CM is the emergent discipline focused on individuals affected by change and catalyzing their adoption and proficient usage of the changes affecting how they do their jobs. When successful, CM contributes to achieving the initiative's targeted results.

CM is a relatively young discipline drawing on diverse bodies of knowledge including psychology, behavioral science, social science, OD, project management, process management, and neuroscience. During the 1990s, "change management" entered the lexicon of organizations with major works from contributors like Daryl Conner (1992), Todd Jick (1993), Jeanenne LaMarsh (1995), John Kotter (1996), and Spencer Johnson (1998). Each highlighted the importance of the people side of change on initiative results. Since 2000, the discipline of CM has been marked by continued formalization of processes, tools, job roles, organizational functions, and even industry associations. In leading organizations, CM has gained a regular "seat at the table" and is recognized as a key contributor to successful change.

We use Prosci's definition of CM to start the conversation: "The application of processes and tools to manage the people side of change from a current state

to a new future state so that the desired results of the change are achieved” (Hiatt and Creasey 2012, 9).

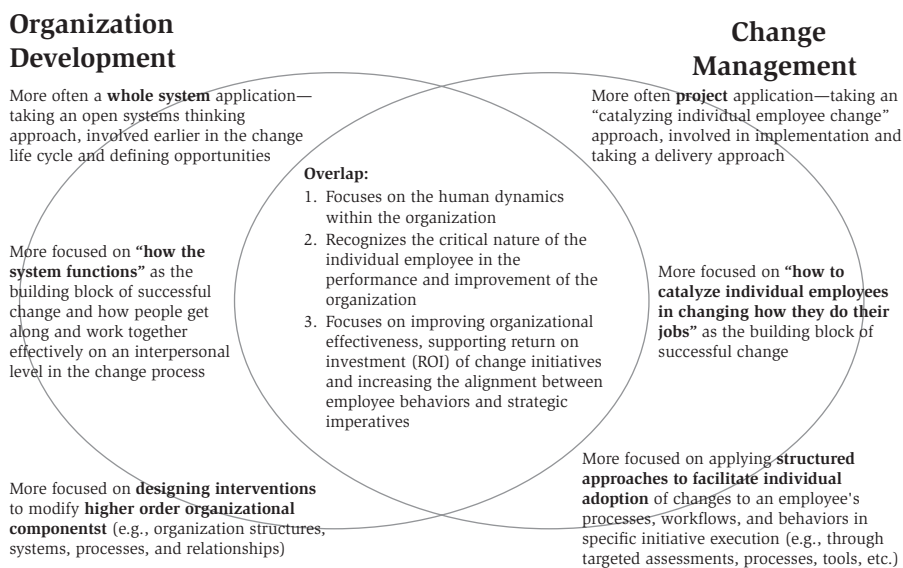
The definition contains three essential components, which we will address in reverse order:

- “To achieve a desired result”—CM’s goal is to drive and capture the portion of benefits that depend on employee adoption and usage. Organizations are experiencing tremendous amounts and types of change, including developmental, transitional, and transformational (to draw on Ackerman-Anderson and Anderson 2011). Many are technology changes, process changes, and strategic changes. Each has a desired outcome, and CM’s purpose is to enable the realization of those expected benefits.
- “The people side of change”—At the macro level, change involves numerous moving parts and systems. At the most foundational and fundamental level, organizational change impacts and depends upon employees changing the way they work. The scope of CM is supporting those individual transitions and, as defined below, the steps needed to catalyze individual adoption and usage. CM considers the organizational systems and cultures, and the initiative level actions necessary, but these are addressed in their impact on individual change journeys.
- “The application of processes and tools”—While change ultimately depends on and requires individual transitions, successful change does not happen by chance. With an understanding of how individuals experience their own change process, the targeted use of organizational and project levers can support and catalyze those necessary individual changes.

CM is most often applied to a defined project or initiative. The scope of CM does not extend into identifying opportunities or issues to address or into designing the actual solution for the change initiative (although it can provide valuable input and direction). CM’s focus is on applying a structured approach to enable individual employees to successfully adopt and proficiently use the new processes, systems, or behaviors required by the change initiative, so the organization’s change achieves its intended results.

## THE RELATIONSHIP OF ORGANIZATION DEVELOPMENT AND CHANGE MANAGEMENT

The relationship between OD and CM is interesting and complex. This chapter began by clarifying the purpose and intent of the two separately and distinctly. This section introduces three dimensions of difference and three significant



**Figure 22.1.** OD and CM: Overlap and Dimensions of Difference

overlaps that provide the foundation for convergence and collaboration in the disciplines. While examining the divergence of the two provides insights into their unique contributions and applications, the success of organizational change—and the disciplines—can be improved if the shared values and overlaps are leveraged. The Venn diagram in Figure 22.1 presents the three dimensions of difference and the overlap of OD and CM.

Three primary dimensions of difference are identified: scope of application, focus of effort, and level of engagement.

### Scope of Application

At a high level, the scope of application provides insight into which situations within an organization might lean more heavily on OD and which might lean more heavily on CM. For OD, application is often a whole system application while remaining sensitive to interpersonal relationships and group dynamics. For CM, application is more often a specific project or initiative with specified results and outcomes that require changes in individual behaviors.

### Focus of Effort

The focus of effort dimension reflects the fundamental building blocks the discipline hopes to impact in application. For OD, the focus of the effort is “how the system functions” while the focus of effort in CM is “how to catalyze

individual employees in changing how they do their jobs.” These are not mutually exclusive—how the system functions impacts how employees react in times of change, and how employees adopt the new way of doing their jobs impacts the system.

### Level of Engagement

The level of engagement dimension identifies the targeted approach taken by practitioners in the discipline. For OD, the focus is on designing interventions to modify higher-order organizational components, those that inform the functioning of the system. CM focuses on structured and repeatable approaches to facilitate individual adoption and usage, leveraging assessments, processes, and tools that can aid an employee in making a successful personal transition required by an organizational change.

### Overlap

While the scope of application, focus of effort, and level of engagement are different, the disciplines of OD and CM have shared values that provide groundwork for convergence and collaboration. The three overlaps identified next can and should be leveraged by thought leaders and practitioners.

First, each focuses on the human dynamics within the organization—even though the starting points are different (system versus individual), both OD and CM acknowledge, appreciate, and focus on the human dynamics within an organization and the important contribution, especially in times of change, of those human dynamics.

Second, each recognizes the critical nature of the individual employee in the performance and improvement of the organization—in OD, this emerges through the focus on self, while in CM this manifests in the unique contribution of individual adoption and usage to initiative results and outcomes. In both cases, the employees that make up an organization are viewed as crucial to any successful change.

Third, each focuses on improving organizational effectiveness, supporting return on investment (ROI) of change initiatives, and increasing the alignment between employee behaviors and strategic imperatives. This final overlap is essential to build credibility and buy-in for both disciplines with executives and leaders. The value of both OD and CM is driving more successful change and enabling organizations to achieve their intended results.

## EXAMPLE: A MERGER

A merger of two organizations presents an entry point to explore the unique opportunities for both OD and CM to contribute to successful change. A merger

creates numerous changes within an organization, including: strategy, leadership, organization design, culture, human resources, information technology and financial systems, reporting relationships, roles, and operations. OD's perspective on supporting a successful merger would focus on the larger, systematic changes including outlining impacts on all aspects of organization systems such as strategy, mission, charters, structure, culture, systems, processes, and people's behaviors. OD would address team dissolutions, formations, integrations, and development. When the implications of the organizational changes reach the granular level of impact on specific jobs and behaviors, CM provides guidance and direction to catalyze those individual transitions. For example, employees using a newly integrated ERP application must adopt and use new systems and workflows. Operational changes would require new job roles, mindsets, and behaviors that would be supported by CM execution. For the merger to succeed, both OD and CM are required, and both uniquely contribute to organizational performance.

## SUMMARY

The wall between OD and CM may not be as high as purported by some or even still being constructed by others. In today's world of ever-increasing change, there is a marked need for approaches and disciplines to improve change effectiveness. Both OD and CM provide necessary and crucial support to successful change.

This chapter presented the disciplines side-by-side, attempting to add clarity by delineating them and then drive convergence by showing the differences and overlaps. Through the examination, there emerged a common set of shared values and perspectives that should serve to unify the disciplines rather than promote divergence, namely the critically important contribution of individual employees to the overall health and success of organizations in times of change.

The key takeaway should be that both OD and CM support successful change, and the question is not "OD or CM?" but rather "When OD and/or CM?" With a better understanding and foundation of each discipline, practitioners can better identify when each provides the greatest value and addresses the issues they are facing at a given point in time. As Gail commented during one conversation, "I cannot do my work without both. I can no longer think about them as one or the other."

Change is not slowing down, and the importance of individuals within the systems of the organization will only increase with new values and relationships emerging. The question for you, and for those hoping to advance the disciplines in academia and elsewhere, is not "which" but, "when and for what purpose?" To conclude the chapter, we will leave you with some questions to ponder as you evaluate your role and approach in bringing more successful change outcomes to your organization.

### Discussion Questions

1. What do you see as the similarities and differences between OD and CM?
2. What strengths do you see each discipline bringing to the conversation?
3. How can each be leveraged to advance change success?
4. When and where do OD and CM add unique value?

### Resources

Association of Change Management Professionals (ACMP) Global: [www.acmpglobal.org](http://www.acmpglobal.org)  
Change Management Institute (CMI): [www.change-management-institute.com](http://www.change-management-institute.com)  
Change Management Learning Center tutorial index: [www.change-management.com/tutorials.htm](http://www.change-management.com/tutorials.htm)  
Organization Development Network (ODN): [www.odnetwork.org](http://www.odnetwork.org)  
Institute of Organization Development (IOD): [www.instituteod.com](http://www.instituteod.com)

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