Organisational Development and Effectiveness: Critical Success Factors

Organisational Development and Effectiveness is a planned activity (or a range of activities) to change organisational culture to achieve improved performance. It also refers to a conceptual, organization-wide effort to increase an organisation’s effectiveness and viability. This can be done as a result of internal needs or a reaction to changes in the competitive environment (Shafer & Lee, 1998).

Based on current research, the following critical success factors play an integral role in delivering a successful organisational development and effectiveness strategy.

Degree of Change

It is important to gain a perspective on the level of change that is intended as part of the organisational development. This can be based on the needs of the organisation (inside out) or as a response to the changing external environment (outside in) (Child, 1972). Bartunek & Moch (1987) claim that it is not only the capability to change that needs to be assessed, but also take into account the level to which the change can be made. Depending on the context of the organisation (based on internal and/or external factors), varying levels of change can be expected.

Weick & Quinn (1999) claim that change can be Episodic or Continuous. Episodic change refers to an infrequent, intentional, discontinuous change. Continuous change refers to emergent, self-organising organisations that are evolving and culminating constantly. They also note that an ideal organisation is one that is capable of continuous adaptation. This is why it is important to make sure the organisation has the capability to adapt to change.

Culture

Cameron & Freeman (1991) note the relationship between the organisational culture and organisational effectiveness, as there are several aspects of the culture that can have an effect on the organisation as the whole. One of the prevalent models states that these aspects are the flexibility and adaptability of the culture, and whether the focus of the culture is on the external environment or on the organisation. This internal focus puts an emphasis on productivity, performance, goal fulfillment, and achievement based on the organisation's needs (Denison & Spreitzer, 1991).

Denison & Spreitzer (1991) claim that it is important to make sure the aspects of the culture are consistent with the development and effectiveness initiatives that are being put in place. However, culture can be structured based on the strength and the flexibility of the culture of the organisation (Cameron & Freeman, 1991).

A study was conducted in Australia that showed the level of acceptance by the culture has a direct effect on the process of organisational development (Kavanagh & Ashkanasy, 2006). They also stated that the barriers can be caused by the perceptions and opinions of those most affected by organisational development initiatives. These issues can be managed successfully with appropriate leadership and optimal change management strategies (Dass & Parker, 1999).
Timeframe

Timeframe refers to the level of risk involved when developing and implementing organisational initiatives. Kramer & Magee (1990) suggest that development can be passive or active, which is dependent on whether the organisation is making the change based on the environment, or internally to make the organisation more efficient and effective (Child, 1972).

In practical terms, Cameron (1980), suggests that during the development of organisational initiatives, best practice dictates that the long term strategy of the organisation needs to always be taken into account, regardless of the timeframe of that particular initiative.

Resources

Shafer & Lee (1998) state that it is important to have a high level of technical and personal competency within an organisation in order to make sure there is a fluid transition when implementing initiatives. Resources refer to any operational entities and the skills and capabilities within the organisation that can help develop and implement the organisational development and effectiveness initiatives.

As part of organisational development and effectiveness, it is important to assess the expertise (skills and capabilities), the processes and policies in place, and the technological capability within the organisation, to make sure the competitive strategies succeed (Shuler & Jackson, 1987).

Implementation of Organisational Development and Effectiveness Initiatives:

Change Management Strategies*

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<th>Strategy</th>
<th>Description</th>
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<tr>
<td>Empirical-Rational</td>
<td>People are rational and will follow their self-interest — once it is revealed to them. Change is based on the communication of information and the proffering of incentives.</td>
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<tr>
<td>Normative-Reeducative</td>
<td>People are social beings and will adhere to cultural norms and values. Change is based on redefining and reinterpreting existing norms and values, and developing commitments to new ones.</td>
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<tr>
<td>Power-Coercive</td>
<td>People are basically compliant and will generally do what they are told or can be made to do. Change is based on the exercise of authority and the imposition of sanctions.</td>
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<tr>
<td>Environmental-Adaptive</td>
<td>People oppose loss and disruption but they adapt readily to new circumstances. Change is based on building a new organization and gradually transferring people from the old</td>
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\*adapted from Nickols, 2010.

**Relation with Critical Success Factors:**

While there is no single change strategy, it is best practice to adopt the most appropriate change strategy, depending on the situation within the organisation (Thompson, 1967). There is some research conducted that provides an insight into the impact of these critical success factors on organisational development and effectiveness (Nickols, 2010):

**Degree of Change:** A radical change argues a mix of all four strategies, as this is when the stakes are high.

**Culture:** A strong, inflexible culture suggests a coupling of power-coercive and environmental-adaptive strategies. A more flexible and adaptable culture within the organisation argues for a combination of empirical-rational and normative-reeducative strategies.

**Time Frame:** Short time frames argue for a power-coercive strategy. Longer time frames argue for a mix of empirical-rational, normative-reeducative, and environmental-adaptive strategies.

**Resources:** Having an adequate level of resources for making change for some mix of the strategies outlined above. Not having it available argues for reliance on the power-coercive strategy.
References:


