Afro Ant Conversation

Organisational Development vs. Organisational Change

10 September 2014

Overview

Ant Conversations are hosted by Afro Ant with the intention of sharing knowledge, debating industry issues and trends, and discussing areas of interest for our network of consultants, colleagues, and peers. This Ant Conversation came about as a result of Afro Ant working with professionals who market themselves as Organisational Development (OD) and/or Change Management (CM) specialists, although with apparent differing views of what these areas of specialisation encompass.

The intention of this session was to clarify our joint understanding of the two terms, discuss the key responsibilities of each, for us to understand where and how they overlap, and to debate where these disciplines would best be located within an organisation.

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1. The relationship between Organisational Development and Change Management

Organisational Development can be described as an around-the-world journey that an organisation embarks on, which doesn't necessarily have an end, where the intended destination can change over time and the mode of transport is variable. Change Management can be described as the trips that the organisation takes along their journey, in striving to achieve their goals. The trips vary in length, the people on the trip may differ, and the mode of transport (i.e. the way of implementing) may differ – but ultimately these trips are conducted with the intention of reaching an organisation's end goal.

Figure 1. There are many Change Management trips of varying lengths, along the Organisational Development journey.

2. Defining the terms: OD vs. CM

Organisational Development refers to the intention to develop the organisation, by implementing an **organisation's strategy**. It is a deliberately planned, organisation-wide effort to increase an organisation's effectiveness and to enable the organisation to achieve its strategic goals[i].

Change Management is required when we want to move an organisation from A to B. It is a structured **implementation approach**, aimed at ensuring changes are smoothly and successfully implemented to achieve lasting benefits. It tends to be more bounded than OD, with a more defined scope and timeframes. CM could be viewed as a subset that falls under OD.

> Change Management is an enabler of Organisational Development

3. Key activities and responsibilities

"Whatever you are, be a good one" – Abraham Lincoln

a. What does Organisational Development include?

The depth or level of Organisational Development can depend on how sophisticated or developed an organisation already is. At the basic level, this could be something standard such as administering job descriptions, but at the highest level an OD practitioner would be working on developing an organisation to align to a new strategy or vision for the organisation. OD could include aspects such as: learning and development strategies and plans; job profiling; career paths; recruitment strategies; culture changes; performance management; and organisational design. There is an operational (or transactional) side of HR, referring to day-to-day operations and processes related to people, and a transformational side of HR, which is where OD fits in. Transformational aspects include working towards maturing in terms of your competency framework. The OD goals would be achieved through projects, which would require

Change Management to implement them. The OD timelines tend to be longer because OD is about continuous improvement. OD is business owned, and CM can be transitory.

b. What does Change Management include?

Change Management would therefore focus on a particular change. The scope would be narrower and it could fall into any of the abovementioned areas of OD. Change Management would focus on the people who are impacted by that particular change project: the change impacts, stakeholders, communications, security and authorisations, user engagement, training (stakeholders and team), and monitoring of the progress of the implementation. This would be for a particular period of time.

As with OD, the term Change Management can refer to organisational change at different levels – either transactional or transformational change. Change that is project based involves transactional change management – taking your people on a journey from A to B, or a particular intervention. Transformational Change is also a journey, but a bigger journey – taking the organisation on a journey e.g. merger or acquisition.

c. Differences and overlaps

The difference of origin

One of the key distinctions noted in the discussion was that there is a difference in the strategic point of origin for why the organisation is involved in the particular act of change:

- Organisational Development has a stronger link to Human Resources Management and tends to focus on holistic, organisation-wide frameworks. In these initiatives there tends to be a strong link to strategic objectives and starts with people. There is a strong link to strategic performance management frameworks, and is about aligning to business objectives and outcomes, but doing so across the organisation holistically as an overall activity, rather than localised changed (as CM is). Organisational development initiatives are based or centred on people.

- Organisational Change has a strong project focus, is a specific intervention to change a particular thing in a point or a process, or to change the process itself. There is often a link to technology and has to do with adjusting or aligning people to keep up with technological advancements. Change Management doesn't necessarily originate with people at the centre, but is essential in ensuring that people are not neglected in whatever is changing. It is centred on embedding and benefits realisation.

Difference of scope

As highlighted above, Change Management tends to be more bounded than OD. The scope of OD is usually broad – often organisation-wide – and the scope of Change Management is narrower, to focus on one implementation.

Difference of duration

Another point noted above, is that Organisation Development doesn't have an end date. An Organisation that is growing, developing, or adapting to keep up with changes in the market place will

be on a constant journey and will focus on developing their people to keep up with the change. Change Management initiatives have a fixed start and end date, as they are more projectised.

d. The overlaps

"Change does not roll in on the wheels of inevitability, but comes through continuous struggle." – Martin Luther King, Jr.

If clearly defined organisation strategies or plans are not in place, Change Managers' scopes become blurry.

Organisational development acknowledges that people are a critical factor in making an organisation successful and therefore focuses on the initiatives that are required to make people excellent. Change Management recognises that there are other critically important factors that make an organisation successful (such as IT, strategies, or decisions taken) and Change Management acknowledges that it needs to take people along on that journey. Overlaps include aspects such as stakeholder engagement, communication, consulting, and training.

Often Change Management initiatives will need to leverage change capabilities that are developed as part of your Organisational Change. For example, Change Agent networks are created as an Organisational Development event. Our participants noted that it is important to not get too segmented in trying to define the terms, because the two won't ever really be segmented or separated.

> Organisational Development is the strategic intent and the Change Management is "how" we do it.

As highlighted above, the link between the two comes in where Organisational Development work will result in projects, which are required to achieve the strategic goals, which then require Change Management. This could include business improvement or transformation projects. Change implements the organisational strategy. If we are defining OD as more holistic or "HR" and CM being more projectised, then there is a crucial relationship. If there isn't a strong link between the two and change management interventions happen in isolation, then you will most likely only achieve the transactional change that you are going for, and not the transformational change. You will be unable to make the people aspect of change truly excellent because there is no mandate to do that.

If you are operating in a context where:

- there is a strategic agenda and defined strategic outcomes; and
- business knows what it wants to accomplish; and
- it is aligned to an organisational development framework; and
- there are behavioural or cultural guidelines; and
- there is an interest in developing competencies because we know that strategically those competencies are what we need to achieve our goals;

Then, as soon as the CM initiative looks at the OD framework it knows exactly what it needs to do. OD provides a macro-framework in which individual change interventions can flourish and be successful.

There is a further overlap in that the reinforcement part of the change initiative (at the end of the project) needs to align to your OD aspect. It can be difficult to ensure sustainability or to embed the change, if your change initiative isn't aligned to your OD plan or if there isn't an appetite for the change. If, as a Change Manager, you have something to link your change back to and if the OD and strategic goals are there, it creates long-term sustainability for your change initiatives.

Organisational development is about continuous improvement, consistently evolving, and is linked to strategy, so when your strategy changes your OD plan needs to adjust to align with that. It is ever-evolving, you never stand still. The difference is that the Change Management framework doesn't evolve; it's a framework or guide that you can work to carry out continuous improvement.

e. Real life challenges to making this work

Real-life challenge faced in change management is that the organisational structures outlined above are not in place, so often CM initiatives operate in a silo and they aren't aligned back to an organisational goal. In many cases CM initiatives are not aligned to each other either, which means that there may be a series of change initiatives taking place, potentially impacting on the same people, that are not aligned.

In addition, the individuals attempting to implement change are often restricted by budget, resourcing, scope, and mandate. It was also noted that legitimacy, power and influence can play a role in how seriously a change initiative or change manager is taken.

It was noted that there are some people that shy away from Change Management, for reasons such as: they don't have the money; they don't understand it; or they have experienced it before (and it didn't go well). These factors impact on the decision-making as to whether change management is needed and the value it can add and how it should be aligned to an organisation's strategy.

4. Location, location, location

"Company cultures are like country cultures. Never try to change one. Try, instead, to work with what you've got." – Peter F. Drucker

On the discussion of where the OD and Change capabilities should be located, the general view is that "it depends". In this discussion, it was noted that in some organisations, success had been achieved where there were dedicated Change resources in each division, who collaborated centrally but who understood the specific culture of the organisational division they were working in. If they understand the culture, and the limitations, then it would extend beyond the project.

Regardless of where Change Managers should be located, the view here was that Change Managers should be equipping the people working in an organisation, so that the Change practitioner could step in and out as needed, and the knowledge transfer between change resources and business people would help sustain the change into the future. The view was that leaders need to be equipped with change capability skills.

Change Managers consult to business because it's the leaders who effect the change, and as consultants they should be in business (most often non-permanent) and they need to coach the leaders because those are the people who have to take it going forward. It was noted that this is different to HR processes which are standard, year in and year out.

The participants noted that every business unit should align with broader goals and therefore should have a dedicated change manager to help their business unit to align. This shifts responsibility of change management back to business. In general, it was felt that OD is most often owned by the HR function and Change Management is owned either by the IT function or by a Project function (which tends to be transitory). There was discussion around the organisational maturity and culture and that an EPMO or PMO would be an ideal place to situate the capability – assuming that the organisation's structure and culture supported this – as this would allow closer alignment to the strategic goals.

5. Who are you going to call?

The question begs – do I call an OD specialist or do I call a Change Manager? Take it back to what you are trying to achieve and then decide. For example, if you are changing a business' operating model, that would be classified as a strategic change so you would call and OD specialist.

Are they the same people or are they different? It depends. There is a big trend towards "multi-tasking" where people have to fulfil more than one role. Although there were a number of overlaps identified above, it was also noted that the assumption cannot be made that just because they are both "people-focused" that the same person can do both roles interchangeably. The tasks and activities, as identified above, are very different and can come with a different skill set associated with each. It is therefore important to identify the objectives of the initiative and the tasks associated with this, so the resourcing requirements can be properly understood.

6. In closing

In closing, the question was asked – "Are the goals the same?" – it was agreed that both Organisational Development and Change management aim to improve organisational behaviour, performance and efficiency to yield results – the levels, scope, duration and point of origin are what sets them apart.

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[i] R. Beckhard - Organization Development: Strategies and Models (1969)

About Ant Conversations

The first Ant Conversation was hosted in 2010 and since then we have covered a variety of topics. The focus of Ant Conversations is on topics relating to our specialist areas: Business Analysts, Change Managers, Project & Programme Managers and related roles.

Artefacts from previous Ant Conversations can be found on our Ant Press:
http://www.afroant.co.za/antpress/ant-conversations/

If you'd like to be included in future Ant Conversations or would like to suggest a topic of Ant Conversation, please contact us by email: info@afroant.co.za