Chapter 2 – Literature Review

"Theory of changing" provides framework describing the activities that must take place to initiate change. These frameworks are popular in OD and serve as the primary basis for a general model of planned change. (Cummings and Worley 2001).

Kurt Lewin (Lewin 1951) provided one of the early fundamental models of planned change. Lewin's model follows three steps. First is "Unfreezing", followed by "Moving" and lastly "Refreezing"

The action research model focuses on planned change as a cyclical process in which initial research about the organisation provides information to guide subsequent action (Cummings et al., 2001). Recently, researcher and practitioner have made adaptation to its basic framework. (Elden and Chisholm, 1993, pp. 121-142).

The General Model of Planned Change describe four basic activities. The first is entering and contracting, second is diagnosing, third is planning and implementation, and lastly evaluating and institutionalising change. This model has been derived from the previous three models (Cummings et al., 2001). It is being used in this project. However, this project only covers the diagnostic and planning stage.

Organisational diagnostic models and survey have often been demonstrated as very effective by practitioner in supporting organisational development program (Goldstein and Burke, 1991, pp. 5-17). Intervention without proper diagnosis of the organisation explains a high rate of failure of change effort in organisation (McIntire, 1999, pp. 786-789). "Sharp-image diagnosis" is required as a diagnosis process as an approach for identifying underlying forces that may be producing unwanted outcomes (McIntire, 1999, pp. 786-789).

There are other diagnostic tools besides the model by Yusof Omar (2001 d). Organisational Diagnostic Questionnaire (Preziosi, 1980) and Organisational Effectiveness Questionnaire (Steele, 1987, v-vii) can also be used. Questionnaire based survey is regarded as one of the effective tools to understand and evaluated organisational issues, therefore providing feedback for effective

positive change (Church, Margiloff and Coruzzi, 1995, pp. 3-11; Goldstein et al, 1991; Kanter, 1983).

Observation in the field of OD is equally effective. Many works describes self as an important instrument of organisational diagnosis (McCormick and White, 2000). According to Burke (1982), the primary instrument in OD work is the consultant practitioner and sharpening observation skill is important in organisational diagnosis.

Active organising in autonomous viable system involves self-actuation, which can be seen in a variety of different dimensions of closure. The dimensions includes self-influencing, self-regulating, self-organising, self-sustaining, self-producing, self-referential and self-conscious (Mingers, 1995). Self-referencing is a feature of autopoietic system and is essential to individual identity (Yolles, 1999). Three features of self-referencing are self-referencing closure, egocentrism and self-reflective evolution (Morgan, 1980). An individual normally connects its identity with its generic identity, which is not associated with self-reference. The attribute of the generic profile are wholeness, propositional, normative, extension, qualities and identity loss (Yolles, 1999). These attributes and features is used by Yusof Omar (2001a,b,c) for observation. He also included the characteristic for dissipative systems against conservative system adapted from Jantsch (1980) in his observation (Yolles, 1999). The characteristic includes structural orientation, action towards deviation, dynamic, tendency to form, internal condition, referent, logical organisation and system type. Dissipative structure model provide a basis to explain organisation transformation process (Gemmill and Smith, 1985; Leifer, 1989; MacIntosh and MacLean, 1999).

Group effectiveness amid complex and turbulent environments requires the key elements of dissipative self-organisation, which are an ongoing tolerance for error and for deviation from an established order, a breaking of existing system relationships so that new ones may emerge, a reflective and self-referencing mode, and a creative process of boundary reparation and movement into new configuration (Gemmill and Charles, 1991).

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It is proposed that "lean" organisations, which many observers believe constitute an entirely new paradigm of management and organisation, are successful because their fundamental structure embodies many characteristics of self-organising dynamic systems, such as dissipative structures (Jenner, 1998).

The general environment can be described in terms of amount of uncertainty present in social, technological, economic, ecological and political force (Cummings et al., 2001). The forces can affect the attainment of organisation objectives (Emery and Trist, 1965; Aldrich, 1979).

Industry structure or task environment is an important input for strategic orientation (Cummings et al., 2001). The task environment consists of five forces which are supplier power, buyer power, threats of substitutes, threats of entry and rivalry among competitors (Porter, 1985; Hill and Jones, 1995).

There are five major design components for strategic orientation. They are strategy, technology, structure, measurement systems, human resources system and culture (Cummings et al., 2001). Diagnosis on the mission, goals and control systems is important in determining the organisation strength and weaknesses (Attenello, 1995). In groups and organisation the element of culture influences what is happening in an organisation (Weitzel and Had, 2001; Edmonson, 1996)

There are five major design components for group level. They are goal clarity, task structure, group composition, group functioning and performance norm (Cummings et al., 2001).

Personal characteristic affects job performance. Personal characteristics of individuals occupying job includes age, education, experiences, skills, abilities, growth needs and family needs. Individual needs and expectation also affects employee job responses (Cummings et al., 2001).

There are five key dimensions for the design component of job level. They are skill variety, task identity, task significance, autonomy and feedback about results (Hackman and Oldham, 1980). The five dimensions can be combined into an overall measure of job enrichment (Cummings et. Al., 2001)

Similar variable have been used by Chan (2001) to diagnose CHS Industry Berhad and found out that the organisation under study is not viable under change and the management system is not functioning effectively.

SSM can be broken down in to seven stages, which can be divided into two kinds of activity. (Checkland, 1998). The seven stages according to Checkland are "The problem situation: unstructured", "The problem situation: expressed", "Root definitions of relevant systems", "Conceptual Model", "Comparison of The problem situation: expressed and conceptual model", "Identify feasible, desirable changes" and "Action to improve the problem situation". The two kinds of activities are the real world activities and the system thinking activities.

SSM has been recommended as a tool for scientifically evaluating complex environment. One such environment is the development of organisational process and product delivered by organisation (Presley, Sarkis and Liles, 2000).

According to Cummings et al. (2001), there are four major types of change method used in organisational development. They are in general human process interventions, techno-structural interventions, human resources management interventions and strategic interventions. These interventions are divided into more detail as explained below.

Human process intervention relating to interpersonal relationships and group dynamic includes T-group, process consultation, third-party intervention and team building. Human process interventions that are more system wide include organisation confrontation meeting, inter-group relations, large-group interventions and grid organisation development.

Techno-structural interventions include structural design, downsizing, reengineering, parallel structures, high-involvement organisation, total quality management and work design.

Human resources management interventions concerning performance management includes goal setting, performance appraisal and reward systems. Human resources management interventions concerning with developing and assisting organisation members include career planning and development, managing workforce diversity and employee wellness program.

Strategic interventions concerning managing organisation and environment relationship includes integrated strategic change, trans-organisation development and merger and acquisition integration. Strategic interventions for transforming organisation include culture change, self-designing organisation and organisational learning and knowledge management.

Cambell and Dunnette (1968) listed six overall objectives common to most T-groups. (1) Increased understanding, insight, and self-awareness about one's own behaviour and its impact on others, including the way in which other interpret one's behaviour. (2) Increased understanding and sensitivity about the behaviour of others, including better interpretation of both verbal and non-verbal clues, which increases awareness and understanding of what other people are thinking and feeling. (3) Better understanding and awareness of group and inter-group processes both those that facilitate and those that inhibit group functioning. (4) Increased diagnostic skills in interpersonal and inter-group situations. (5) Increased ability to transform learning into action so that real-life interventions will be successful in increasing member satisfaction, output, or effectiveness. (6) Improvement in individuals' ability to analyze their own interpersonal behavior as well as to learn how to help themselves and others with whom they come in contact achieve more satisfying, rewarding, and effective interpersonal relationship. There is some methodology problem in T-group, however T-group has brought about change in the individual back in his or her work situation (Cambell and Dunnette, 1968).

Team building can help solve problem such as, apathy and general lack of member interest; loss of productivity; increasing complaints within the group; confusion about assignments; low participation in meetings; lack of innovation and initiation; increasing complaints from those outside the group about the quality, timeliness, and effectiveness of services and products; and hostility or conflicts among members (Cummings et al., 2001). There are several conditions that are best suited for team building that includes the followings (Lewis, 1975). (1) Patterns of communication and interaction are inadequate for good group functioning. (2) Group leaders desire an integrated team. (3) The group's task

requires interaction among members. (4) The team leader will behave differently as the result of team building, and members will respond to the new behavior. (5) The benefits outweigh the cost of team building. (6) Team building must be congruent with the leader's personal style and philosophy.

Total Quality Management (TQM) is considered by many to be the management paradigm capable of facilitating the attainment of continuous improvement and external focus (Ghobadian and Gallear, 1997). Companies that have subscribed to TQM have produced good financial results (Coopers & Lybrand and EFQM, 1995). TQM is typically implemented in five step (Cummings et al., 2001). (1) Gain long-term senior management commitment. (2) Train members in quality methods. (3) Start quality improvement projects. (4) Measure progress. (5) Rewarding accomplishment.