



—INTRODUCING INNOVATION THROUGH OD

Great amounts of initiative and capital resources are allocated to the marketing of technical innovations. But what about innovations introduced within the organization?

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The Goodyear Tire & Rubber Company last July announced a new concept in tires, reported in the press as likely to "exceed the government's highest hopes for a tire that would save gasoline." The new "elliptic" tire, described as a significant advancement over radials (the most recent, previous innovation in the tire market), was strategically introduced into the marketplace to those who would be in a position to judge its functional success.

In addition to officials from Ford Motor Company, General Motors, American Motors, Chrysler, and Volkswagen, the manufacturer invited officials from the U.S. Department of Transportation and 30 newsmen to the introductory showings of this new "energy saving" concept in tires. And to include end-users of the new product in the

initial stages of the marketing strategy, the company issued press statements citing characteristics of the new tire that would be advantageous to the consumer.

The "elliptic" tire event serves as an example of the carefully designed marketing approaches that are used by organizations to introduce product or concept innovations to populations outside their confines.

But what about innovations that are introduced within the organization itself? How much effort and expense does the typical organization exert to gain internal acceptance of and demand for innovations in such areas as financial reporting, strategic planning, organizational structure, information processing, and other key activities?

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Current marketing practices and research in innovation theory are mutually supportive in their approaches to introducing innovations, which must generally meet a number of criteria before they can be regarded as successful. First, the individual and the organization must believe that the innovation is comparatively advantageous over that which it replaces. Second, it must be compatible with the potential user's values, past experiences, and needs. Third, it must be seen on a limited basis to ensure its trial-ability. Fourth, the results of the innovation must be observable before the innovation is accepted. Finally, the innovation should be viewed as reasonably simple and easy to understand. Before introducing the innovation to the market, it is therefore essential to study potential users in terms of their historical and current trends of acceptance, values, concerns, capacity to change, and related factors.

Organizations can similarly benefit by designing and implementing strategies that incorporate the same criteria for introducing innovations *within* the organization.

Introducing the technology of organization development

Most managers agree that the key to future corporate growth depends largely on how successful we are at introducing innovations in response to rapid changes in our environment. We might also agree that the technology of organization development can be an effective means to this end. Yet, despite an increasing number of textbooks and other writings that seek to clarify its purpose, few line managers understand "or-

ganization development," and fewer still use its technology effectively.

We have, then, an organizational paradox: While many operating managers are attempting to employ the technology of organization development to effect needed changes, they are more often than not bewildered by the implications of the word "organization" juxtaposed with the word "development." Some equate the terms with a corporation's acquisition strategy. For others, organization development signifies sensitivity training, group problem solving, or team building. And, for still others, organization development is associated with educational workshops conducted by the company's training department.

Most declarations concerning the need to introduce the technology of organization development to line-management functions amount to more oratorical proclamation than commitment to action and performance. We often overlook the implications and obligations suggested, if not promised, by this task, and the implementation of our approach still leaves much to be desired. If these observations are valid, it is clear that we need to design alternative strategies for introducing organization development to line managers. The strategy used at a major multinational corporation (BFGoodrich) to achieve this objective is outlined below.

Assessing historical trends

To introduce the technology of organization development to line management effectively, we believe it is important to study the history of the organization and to understand its beginnings, technology,

resources, structure, and management style. This background appears necessary to gain what the Germans term a *weltanschauung*—a comprehensive view of the organization based on where it has been, where it is now, and where it wants to be in the future. Gaining this view of the organization is analogous to the marketing professional's concern for historical trends that might serve as success predictors of an innovation. Thus, as a first step in the overall strategy, we conducted an intensive historical study of the BFGoodrich goals, technology, structure, products, people, policies, and norms. The study served as a basis for determining the type of innovative approach best suited to the "culture" of the organization.

Increasing the potential for acceptability

To be effectively introduced within an organization, an innovation must be viewed as compatible with both individual and organizational goals. The importance of such compatibility was articulately stated by Rousseau in *The Social Contract*:

The problem is to find a form of association that will defend and protect with the whole common force the person and good of each associate, and in which each, while uniting himself with all, may still obey himself alone and remain as free as before.

In their famous Hawthorne Studies, F. J. Roethlisberger and W. J. Dickson suggested that management has two major functions: to secure the profitability of the total organization and to secure the "equilibrium of the social organization so that individuals contrib-

uting their service to this common purpose obtain personal satisfactions that make them willing to cooperate." Behaviorist Chris Argyris also concerned himself with how an organization can be created where the individual can obtain maximum expression while "the organization itself may obtain optimum satisfaction of its demands." The International Congress of Applied Psychology devoted an entire conference to a discussion of how people can work together in a manner that will satisfy their needs as well as the objectives of the organization to which they belong. One of the most important conclusions from this conference suggested that, to successfully introduce innovations within an organization, the organization and each employee must feel that they benefit from it.

In our example, the compatibility of individual and organizational goals was initially achieved by incorporating the need for organization development into the actual operating principles of the corporation. This was accomplished by having the company's senior management reach a consensus on a statement of corporate philosophy, objectives, and principles. This statement, which was ultimately drafted into a public document, outlines the company's financial and operating principles to be observed as management creates its strategic plans and manages the business of the enterprise. The prelude to the first operating principle reads in part:

We feel that because such an important part of our effectiveness relates to the people within the organization, it is necessary to entitle our first statement of philosophy, *Quality of Personnel and Organization Development*.

The principle states:

To meet the company's objectives, the recruitment, retention, and promotion of highly motivated individuals with superior performance capability will be required. Therefore, systems for recruitment, training, and development will include carefully developed criteria and rigorous selectivity and be consistent with the company's commitment to provide equal employment opportunities to people regardless of race, sex, or ethnic origin. In addition, the company will stress the technology of management and organization development, with specific focus on interpersonal relationships among individuals and business groups.

By incorporating the need for organization development into the formal operating principles of the corporation, each employee was given the opportunity in group sessions, similar to those of executive management, to link their individual objectives with that of the organization. Such an opportunity meets the first and second requirements for introducing innovations within organizations: showing both the organization and the individual that the innovation is mutually advantageous and compatible with their respective goals.

Enshrining organization development in an official company document with executive management's public endorsement served as a strategic vehicle for improving the potential acceptability of the innovation within the various segments of the organization. The document thus served as a "form of association," to use Rousseau's words, for the innovation.

Organizations typically spend a great deal of time and effort training

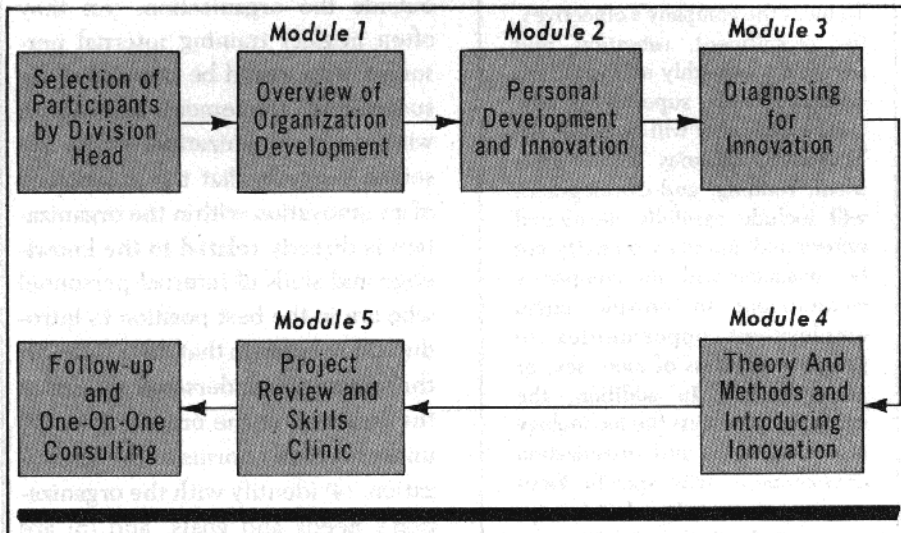
their marketing personnel for sales outside the organization, yet they often neglect training internal personnel who would be more likely to successfully implement innovations within the organization. Most research suggests that the acceptance of an innovation within the organization is directly related to the knowledge and skills of internal personnel who are in the best position to introduce innovation in that they: (1) know the system, (2) understand and speak the language of the organization, (3) understand the norms of the organization, (4) identify with the organization's needs and goals, and (5) are familiar with the potential users.

Thus a major component of the company's strategy consisted of developing an educational program for training personnel within the organization to help introduce other innovations through the technology of organization development. The curriculum, which is accredited by a major university, alternates five one-week workshop modules (see chart) with normal working assignments, enabling participants to experiment with and apply their learning over a one-year period.

The philosophy underlying the module sequence is to alternate conceptual with practical modules as well as technical skill development with interpersonal skill development. Workshop modules are scheduled two to three months apart, depending upon the availability of the participants and the operational requirements of the corporation.

Since the curriculum represents a collaborative effort between the company and the university, participants can receive 15 hours of graduate or undergraduate credit leading to a degree in organization

Program Module Flow Chart



behavior. Instruction is provided by university professors and leading practitioners in the behavioral sciences.

Between workshop modules, work assignments given to the participants create opportunities to practice the skills they have learned. One such assignment provides an experience in introducing an innovation in some area of the company on a trial basis. This gives management an opportunity to observe the effect of using the technology of organization development. In addition, participants are examined on a number of articles and texts in the field of organization behavior.

After completing the curriculum, participants begin serving, on a trial basis, as project coordinators for innovation efforts in their respective divisions. Often they start by introducing organization development concepts to managers in their work area, "marketing" the idea of using the technology of organization development to solve operating and interpersonal problems. Their proximity to line managers offers an opportunity to continually reinforce the

values and assumptions of organization development through educational and demonstration efforts.

After a successful trial period, personnel trained in this program must fulfill at least one of the following roles when innovations are introduced:

1. Assist in the diagnosis of the person(s) or organization affected.
2. Help create an intent to change (if change is needed).
3. Help translate this intent into action.
4. Help stabilize the innovation and prevent discontinuance.

To accomplish one or more of these roles, participants selected for the program must first be viewed as credible within the organization. Thus selection criteria were established to ensure that individuals selected to attend would have qualities that are representative of the company in terms of values, past experience, concern, and character (see box on page 56).

In addition, each participant had to be recommended by their respective line or staff divisions. Since position level was considered to be far

less important in the selection process than perceived success, a wide variety of position levels and business functions was represented.

The strategy of training internal personnel, who then use organization development approaches on a trial basis for introducing innovations that can be observed and evaluated before they are institutionalized, meets the third and fourth requirements for introducing innovation: demonstrating the technology on a limited basis in situations where users can observe its impact. Transferring the skills and technology from professional consultants to line managers removes the mystique that is often associated with the phrase "organization development" and goes a long way toward achieving the fifth requirement: making the innovation reasonably easy to understand.

Implications

Management often pays close attention to these criteria when marketing innovations outside the organization, but ignores them when innovations are introduced within the organization.

Our example advanced the position that the technology of organization development can be used to gain acceptance of innovations. By implication, we are also suggesting that the same technology has the potential of helping management introduce innovations successfully within the organization. The concept of creating an organization-wide understanding of organization development principles and practices is in itself an innovation. What success, then, can be gained from this innovation?

In the future, organizations will

have to become more involved in the quality of working life for employees. In November 1975, President Ford signed into law a bill establishing the National Center for Productivity and the Quality of Working Life. This action was precipitated by the evolution of issues and concerns related to the quality of working life over the past 25 years. Events such as this will require managers to move toward more participative organizational practices. The approach outlined here reflects one company's attempt to provide its managers with the resources that permit them to respond appropriately to these trends.

A network of internal personnel trained in OD technology provides a mechanism for increasing an organization's capacity for upward, downward, horizontal, and diagonal communication. Sixty persons (as of this writing) at Goodrich assist with various projects where innovations are being introduced. They provide management with:

1. An effective and efficient information retrieval and dissemination capability.
2. Immediate response to requests for introducing innovations.
3. Information on the "pulse" of the organization.
4. An effective link between corporate divisions and site locations for goal setting and other work flow requirements.

Network personnel are available to help line managers implement new programs and policies. A common complaint heard among managers is that they are frequently expected to implement new programs or alter existing systems with little or no assistance. Programs are often introduced into their operations—new maintenance systems, purchasing

procedures, performance review requirements, EEO guidelines—that ultimately produce confusion and mixed results. Since many managers believe that their job is to "manage the business, not new programs," many new management innovations can neither be consolidated nor evaluated. Now, however, network personnel are available to help line managers implement new programs and policies. The availability of personnel trained to use the technology of organization development in marketing, manufacturing, technical,

Participant Selection Criteria

- Administrative skills
- Emotional stability
- Interpersonal skills
- Personal leadership skills
- Potential for personal development
- Problem-analysis skills
- Technical competence
- Work-oriented motivation

and other functions provides management with multiple resources for introducing innovations as well as the organization environment that must accommodate these interventions.

The network also provides personal development opportunities for high-potential personnel and special organizational recognition for long-term employees. This factor alone makes the innovation comparatively advantageous.

It also provides a resource to management at the level of need in the hierarchy instead of concentrating the technology of organization development in a small corporate

staff. The network actually functions as a pyramiding device to market OD technology more quickly and more broadly than even a large corporate staff.

Finally, the concept of a consulting network creates widespread attention and understanding of the nature, scope, and purpose of OD. In attempting to "develop" OD as a viable discipline, it is important for line management to understand the theory and to monitor the results of our consulting efforts. Because so many trends and fads in the behavioral sciences have been applied to the business world over the past 20 or 30 years, managers are often perplexed by the technical terminology (intervention, role analysis, team building, conflict resolution, unfreezing, change agent, and so on). With an effective marketing strategy, the potential exists to create a corporate-wide semantic awareness and, perhaps even more important, to further delimit and define OD concepts within the framework of ongoing business practices.

Organization development constitutes a method for approaching the broad problem of introducing innovation and has proved effective in many pragmatic applications. To prevent OD from being viewed as a passing fad or as a program with only temporary quality, OD practitioners must discover new ways to market its benefits. If our aim is to improve the organization's internal resource capability to meet the inevitable change of the future, then we must find the proper mechanism to effectuate a transfer of OD technology from staff functions to line operations. An effective marketing strategy is one approach to achieve this end. •