ORGANIZATIONAL DEVELOPMENT TO INCREASE AN ORGANIZATIONS EFFECTIVENESS AND COMPETITIVENESS TO IMPROVE EMPLOYEE SATISFACTION, PRODUCTIVITY IN ORDER TO STRENGTHEN THE HUMAN PROCESS

Anis Mahomed Karodia (PhD)
Professor, Academic Faculty Member and Senior Researcher, Regent Business School, Durban, South Africa

Dhiru Soni (PhD)
Professor and Director of Research, Regent Business School, Durban, South Africa

Nadeem Cassim
Research Manager and Academic, Regent Business School, Durban, South Africa

ABSTRACT
The term ‘organizational development’ refers to a systematic organization-wide attempt implemented to achieve an increase in an organizations effectiveness and competitiveness. It, in a basic sense, attempts to implement a plan change to improve employee satisfaction and the productivity of an organization by strengthening the human processes of an organization (Neilsen, 1984: 2-3). Porras and Robertson (1992) define the term as: “A practical application of the science of organizations. Drawing from several disciplines for its models, strategies and techniques, OD focuses on the planned change of human systems and contributions to organization science through the knowledge gained from its study of complex change dynamics” (Porras and Robertson, 1992: 720). In this paper, we intend on critically assessing this definition of organizational development in relation to globalization’s impact on organizations, and organizational diversity. In order to do so, this paper will assess whether globalization creates a need for organizational development (defined according to Porras and Robertson), and whether organizational diversity is the response to this need. By doing so, this paper also intends on establishing a link between these two areas. In addition, due to the unevenness within the development of globalization, this paper will assess the areas of globalization and from a South African context.

Key Words: Organizational Development, Effectiveness, Competitiveness, Employee Satisfaction, Productivity, Human Process

INTRODUCTION
However, to understand the arguments throughout this paper, we will begin by furthering our understanding of organizational development. Organizational Development, as stated, is a process that diagnoses problems and areas in an organization that need to be addressed, creates a change-management plan, and then facilitates the organization through this necessary change. However, there are differentiations according to how this change should occur; hence there is an importance to distinguish between an old standard definition of organizational development, and a newer and recent one (Neilsen, 1984: 2). The older definition of organizational development...
defines the term as a planned intervention that uses behavioral science to increase the effectiveness of organizational processes (Beckhard, 1969: 9). The problem with this definition was that it looked at an organization as a stable machine which consisted of interlocking mechanisms (Beckhard, 1969: 9). However, with the identification of organizations operating in rapidly changing environments, the definition of organization development has been revised. The newer definition of organizational development defines the term as efforts to influence employees in an organization to uplift their views of the organization and their working experiences, in addition to taking responsibilities for their own action. Hence we note a shift towards the concept of self-management. In addition, workers are expected to perform these two tasks simultaneously, which will allow them to discover new and better ways of working with each other, and create a more effective working experience (Neilsen, 1984: 2-3). This can be further understood by Cummings’ (1997) who defines OD as: “A system-wide application of behavioral science knowledge to the planned development and re-enforcement of organizational strategies, structures, and processes for improving organizations effectiveness” (Cummings, 1997: 2).

Whilst there is no agreed upon definition of globalization, it commonly refers to a process of integration across economies and societies. Through this integration, borders that defined countries have been eradicated, which created an increasing interdependence amongst nations (Kaliski, 1999: 2)? With the impact of globalization on organizations and individuals, South African organizations have entered an era which is characterized by rapid changes in the economy (Kaliski, 1999: 1). Scholars noted that prior to globalization; economists strongly believed that the key to success in any organization was through the use of macro-economic policies. Policies such as the fiscal policy, which was favored by Keynesians, was believed to have the ability of speeding up recoveries in the economy, bring about efficiency and high levels of productivity, and reduce inflationary pressures. However, due to the introduction of globalization, many changes have occurred in the world of work. Countries and nations have become increasingly interconnected, and the scope of competition between organizations relied on the need for increased efficiency in order for organizations to be competitively incorporated into the economy. Globalization poses greater uncertainty, whereby South African organizations have to respond to changes in the economy quickly in order to survive and be competitive in a world that is becoming increasingly interconnected. Changes in the economy include external shocks, shifts in preferences of consumers, increased competition, and ever evolving technology (See: Drakulic, 2003: 1-3; and Melitz & Cunat, 2005: 2-5).

A major consequence of globalization is that, it increases competition amongst organizations due to the eradication of borders. This creates a global market place for consumers, whereby they can consume from a variety of products that are imported into their regions from international organizations. However, with competition, South African organizations are required to compete with not just companies in their vicinity, but also foreign companies (Kaliski, 1999: 2). To remain competitive in an increasingly globalizing world, South African organizations are embracing outsourcing as an intervention. Many of their production functions are being moved to countries and regions with more advantageous labor regulations, labor costs, technology, and labor skills (Kaliski, 1999: 1). Taking the outsourcing and networking amongst South African organization with the rest of the globe, we are also implying that communication and information are being shared within global organizations across the globe (Kaliski, 1999: 2).

In addition, scholars such as Lewis (2002) believe that to promote economic growth and employment, South Africa needs to adapt to the use of flexible labor markets. He regards South African labor market as too inflexible and rigid, whereby strong labor legislation is the reason for high levels of unemployment and productivity (Lewis, 2002: 12). Lewis believes that we should rather focus on the quantity of jobs rather than the quality, and also feels that South African wages, even amongst low skilled workers, are too high (e.g. real remuneration per worker grown over 250% from 1970 to 2000) (Lewis, 2002: 12-14). However, research has shown that South African organizations are in fact very flexible and are converging towards flexibility as their
survival strategy. Kashefi (2007) conducted a research which showed that South African organizations incorporate three dominant forms of flexibility which are: Financial; numerical; and wage flexibility. By using these strategies, labor market flexibility allows South African organizations to adjust in a period of market disequilibrium. Hence labor market flexibility also refers to the speed that these organizations can adjust in response to economic shocks (Kashefi, 2007: 343). Hence organizations in South Africa are responding to the pressures of globalization by increasing their flexibility to reduce their production costs.

Many writers argue that with the consequences of globalization, organizations and industries all converge towards a singular and most efficient strategic pattern. I disagree. The world has not become ‘flat’ and homogenous due to globalization, as many would assume, it is rather heterogeneous. By saying this, I am referring to the fact that organizations do not gravitate towards a single universal organizational development strategy (such as flexible work arrangements in most cases). They rather seek and strive towards creating different strategies in order to obtain leverage in the global market (Guillén, 2001: 1). Therefore we will assess the alternate organizational development strategy of managing diversity as a response for organizations to achieve economic, political, and social advantages in an integrated economy. Besides being an alternative, we will also assess how diversity is actually a pre-requisite for the maintenance of flexibility and networking. To understand the role that organizational development plays in globalization, we should note that rapidly changing environments (i.e. globalizations impact on organizations) require organizations to respond efficiently in order to survive and become competitive (French, 2005: 80). The need for organizations to change was triggered by the environmental changes of globalization, and once these changes have been recognized, organizations respond with organizational development interventions which are known as ‘intentionally generated responses’ (French, 2005: 80). Considering the challenges that globalization creates for organization, we can agree with Porras & Robertson (1992) when they state that organization development is a practical application of the sciences of organizations. Globalization should be noted as ‘complex change dynamics,’ that creates the need for organizations to use a variety of disciplines to come up with strategies and techniques to assist them in overcoming environmental pressures. Whilst we will assess what Porras and Robertson mean when they use the concepts of practical application; organization science; human systems, when assessing how this relates to organizational diversity, for now it is important to note that globalization creates a need for organizational development.

Organizational diversity refers to acknowledging, valuing, accepting, understanding, and managing the differences amongst employees in the organization on the basis of: Age; race; family background; gender; physical abilities; disabilities; sexual orientation; nationality; educational background; marital status; parental status; religious beliefs (Spencer, 2004: 14). Due to the vast differences amongst employees, organizations are required to design interventions that account and cater for these differences if they wish to attract and maintain a productive workforce, and gain competitiveness. This is crucial because a diverse workforce brings in very distinct resources and perspective into organizations, and also demands different expectations, needs, lifestyles, treatment, and preferences (Cummings, 1997: 418). Organizations develop diversity management strategies to help workers work together more efficiently and effectively. Differences in the workplace are capitalized on, whereby employees are encouraged to recognize their differences and bring these differences into the production process (Spencer, 2004: 18). Organizations in turn benefit through the development of: better personal relationships; more effective team work; a wider range of ideas; greater scope for problem solving; etc. (Spencer, 2004: 40). Another characteristic of managing diversity is also to promote equality in the workplace. Organizations develop and utilize already developed effective equal opportunity practices. Hence to sum up, the primary goal of managing diversity is to enhance interpersonal and inter-group communication and relations in an organization. These relationships exist between: managers and employees; amongst employees and their peers; and also between employees and customers (Agocs and Burr, 1996: 36).
To understand why organizational diversity is regarded as an organizational development scheme crucial to the success of organizations, we need to understand the value that it brings into organizations. Valuing and managing diversity correctly, enables organizations to consistently deliver both, the requirements of their customers, and the requirements of their workforce by allowing workers to engage more effectively with each other (Spencer, 2004: 7). Catering for a diverse workforce entails employees working together from diverse backgrounds, which enable organizations to respond to the diverse interest and demands of consumers (Spencer, 2004: 7). This refers to an organizations ability to successfully gain access to markets and clients. By managing and appreciating a diverse workforce, organizations are equipped with Intel from a workforce with a diverse background to respond to the variety and diversity amongst the needs of consumers (i.e. workers of different backgrounds assist the organization to cater for the variation in consumer demands) (Spencer, 2004: 8). Differences amongst workers provide a unique range of attributes and characteristics. Organizations need to capitalize on and recognize the diversity of their employees (Spencer, 2004: 15). This allows them to increase their understanding of different cultures, people, etc, which play a crucial role in their production, such as the way they target their sales drives for instance (Spencer, 2004: 46).

Globalization promotes a rapid increase in diversity. We have assessed that organizations respond to the pressures of globalization through interventions such as outsourcing, networking, etc. However, we need to understand that these interventions are not isolated from diversity; in fact they work in close correlation and require organizational diversity as their efficacy. By saying this, I am implying that organizational diversity does not only allow workers the ability to work together with solidarity under a ‘single roof,’ but also allows employees to work together with their colleagues and customers amongst global networks (i.e. to interact efficiently with co-workers from across the globe with diverse backgrounds) (Kaliski, 1999: 4). Hence when we speak of managing diversity, we are referring to an organizations ability to equip its employees with relational skills in order to work together. This gave rise to relational skills called ‘cultural intelligence’ amongst global networks, which refers to an organizations ability to adapt effectively with national, organizational and professional cultures (Kaliski, 1999: 4). Employees through their cultural intelligence are not only allowed to communicate effectively with colleagues of different backgrounds, but also gain knowledge concerning new and ‘different’ methods of doing things (Kaliski, 1999: 4). To elaborate the demand that globalization places on organizational diversity, we need to acknowledge that people no longer reside and labor in an insular market; they now reside in a competitive world economy which is faced with competition from every country across the globe. Hence organizations need to use their diverse workforce to become more creative and open for transformation (Green; Lopez; Wysocki and Kepner, 2009: 1).

Besides the need for organizations to effectively communicate across borders with their spatially organized global networks, globalization also creates the need for organizations to create effective communication and solidarity within their individual organizations. An important dimension of globalization is migrant labor. In the year 2000, approximately 175 million people resided and labored in countries other than their birth countries (i.e. migration) (Kaliski, 1999: 6). Due to the ability for the effective flow of not just goods, but also people, globalization creates the ability for people to migrate to foreign countries for employment purposes. In addition, organizations have emphasized this dimension due to the advantages that they gain from migrant labor such as: low wages; foreign skill; innovative technology; etc. Hence within a single organization, employees constitute a diverse workforce from very different backgrounds and origins (Kaliski, 1999: 7). Organizations in turn are faced with the challenge of developing effective communication to cater for their heterogeneous workforce (Kaliski, 1999: 7). Hence by promoting and managing diversity, organizations create the ability for employees to collaborate effectively.

In addition, diversity allows for the efficiency of teamwork in organizations. A major problem in organizations regarding the implementation of teamwork is intergroup problems. Diversity
allows for organizations to establish collaborative group relations which are seen as a pre requisite for organizational efficiency (French, 2005: 119). A major problem with the implementation of teams in organization, is firstly, to create groups that respond to the needs of the organization as well as the needs of its members, and secondly, how to create these groups with the intention of raising productivity without hampering the relations and co-ordination of members. Intergroup problems consist of teams competing with each other, negative perceptions, undermining each other’s activities, etc. Diversity helps overcome these problems by creating solliarity and effective collaboration amongst members and teams, which serves as a pre requisite for organizational success (French, 2005: 119).

Diversity then is regarded as a key element for network organizations to work, due to its advantage of allowing employees to communicate and co-ordinate operations efficiently (Kaliski, 1999: 8). Organizations that fail to manage diversity successfully suffer from social and economic consequences. An organizational culture that allows harassment, discrimination, absenteeism, low morale, and employee turnover result in a loss in productivity (Lobel & Kossek, 1996: 2). From the above, we can tell that diversity is more than just promoting equality and equity in an organizations workforce. It additionally brings value into organizations that allow them to be competitive in a global economy, and allows them to achieve success. In relation to Porras and Robertson’s (1997) definition of OD, we note that organizational diversity is a practical application, a behavioral science application that explores and attempts to change the interactions of organisms (i.e. employees) in an organization. Organizational diversity is used as a tool to implement a change in human systems, a tool used for measuring the communication amongst diverse workers, teams, etc. to help the organization achieve its strategic goals. It also contributes to the organizations science by carefully studying the problems in an organization regarding managing diversity and facilitates a change by applying its knowledge of how individuals and groups act within the organization in relation to accepting and acknowledging diversity. By it being multi-disciplinary, we are implying that it utilizes social knowledge such as ethnicity, psychological knowledge such as perceptions and stereotypes, political knowledge such as marginalization of groups, etc. Hence whilst globalization created a need for the practical application of the science of organizations, organizational diversity is the practical application.

However, whilst I do agree that managing diversity ‘can’ result in the above mentioned organizational gains; we need to gather that thus far we have analyzed diversity from a very universal approach. When assessing its impacts in South African organizations, we will note the importance that the notion of space plays in organizational development. By saying this, I am implying that South African organizations have responded to catering for a diverse workforce by managing it, but have not yet experienced the value that diversity brings into the goals of organizations. South Africa can be characterized as one of those countries in which diversity interventions have grown in popularity, however, these interventions still contain an ambiguity regarding the depth and sincerity of these interventions and their consequences on both, a personal and organizational level (Cummings, 1997: 419).

The problem with managing diversity in South African organizations is that these programs utilize a maximalist approach, which is defined as a top-down approach based on culture. It contains generalized concepts such as nationality and ethnicity, where culture is over-emphasized and human relations are much generalized. By doing so, the maximalist approach uses these concepts to recognize individuals, and to re-enforce the differences between them (Steyn and Motshab, 1996: 172). Reason being is because managing diversity in South Africa bases itself on redress legislation that attempt to eradicate the injustices of apartheid through policies and legislations such as: The Employment Equity Act; Black Economic Empowerment; and The Skills Development Act (all which use Affirmative action to promote ‘fair’ discrimination) (www.labourguide.co.za). Whilst we may regard these as attempts to create an equal society, the problem with managing diversity is that by using a maximalist approach based on redress legislation, it intentionally focuses on certain groups of our population (such as African or women for example), which then gives rise to a discourse based on identity (Beall, 1997: 7).
Identifying groups of people in managing diversity programs has lead to considerable difficulties, especially in the ways in which these groups are perceived and categorized by other individuals (Beall, 1997: 8). It was shown that groups are less accommodated and are shown less hostility by other members of the organization (Beall, 1997: 8). In many instances, managers were prejudiced towards certain groups, which resulted in the poor management of these groups in addition to their strengths and talents merely being recognized and encouraged (Human; Bluen and Davies, 1999: 107). This ultimately leads to a great deal of dissatisfaction amongst these workers when it comes to the way in which they are communicated with and perceived, and it addition leads to dissatisfaction amongst them concerning the lack of development and promotion opportunities they obtain due to prejudices (Human; Bluen and Davies, 1999: 121). Research has also shown that poor management of individuals in diversity programs also result in under-performance (Steyn and Motshabi, 1996: 174). Managers that are prejudice against certain groups have: not provided them with good guidance and support; have not given them clear goals; shown favoritism; ignore their ideas; show no interest in them; do not train them adequately; etc (Spencer, 2004: 42).

Secondly, the identification of groups or ‘categories’ in diversity interventions also gave rise to stereotypes of certain groups. For example, many of our citizens acquire very little knowledge about Africans, and this leads to stereotypes in which Africans are assumed to be one homogenous group and can all fit under a single label (Human; Bluen and Davies, 1999: 108). An example of this in South African workplaces is the issue of affirmative action. Many South Africans have stereotyped African workers as being incapable of ‘doing the job’ because they do not have the skill they require. They are also generalized as being lazy and uneducable (Steyn and Motshabi, 1996: 174). In addition, because of the ‘lack of skills’ amongst our African affirmative action workers, they are seen as the cause of tremendous drops in companies productivity (www.helium.com). In relation to this, these workers are generalized as not being able to perform task diligently and fail to work in teams with other workers because the acquire poor language skills, which also holds as a stereotype as to why ‘Africans’ fail to clearly explain, understand and complete work procedures (www.helium.com).

Thirdly, the identification of groups has created a tendency amongst people to judge workers on the basis of stereotypes and has not allowed these workers to be noticed according to their individual capabilities (Steyn and Motshabi, 1996:175). We have to keep in mind that people are multi-dimensional. Whilst one may be an African (for example), he/she could also be a soccer fan, an excellent cook, a very educated person, a good worker, etc. (Human; Bluen and Davies, 1999: 116). Hence diversity management programs in South Africa tend to create and solidify peoples identities based on race; age; disability; and sex. A person who is viewed on the basis of stereotypes would find it very hard to transcend that label and be viewed differently (according to his multi dimensional skills), and this has also resulted in the failure of diversity management’s attempts to train and develop these individuals (Human; Bluen and Davies, 1999: 116-117).

In addition, managing diversity in South African organizations has resulted in employees trying to gather and familiarize themselves with new diverse operational processes. However, in many instances, global competitive pressures have resulted in organizations implementing a ‘quick fix’ managing diversity strategy without giving employees adequate time to learn, train and familiarize themselves with the benefits of these changes. This results in employee fatigue and burn outs, which hamper an organization’s ability to fully utilize the benefits of managing diversity. In this regard, managing diversity is more a threat than beneficial to South African organizations (Kaliski, 1999: 6). In South African organizations, workers tend to gravitate towards other workers that are similar to them. Although organizational strategies focused on managing diversity in these organizations attempt to bring different individuals together to result in diverse innovative approaches; the reality is that these attempts do not bring value into an organization due to the challenges that we have just assessed (Spencer, 2004: 17). Hence whilst organizing diversity in South Africa can also be recognized as a practical application that seeks to change or uplift the interactions of employees in an organization, here I disagree that OD
makes contributions to the organizations science and human systems. Due to the failures and challenges that managing diversity faces in South Africa, they have not significantly contributed to the organizations science by carefully studying the problems in organizations. I say this, because if organizational development had carefully acknowledged the problems in an organization, they would have not taken a maximalist approach that bases itself on redress legislation which results in employees being identified according to their race, gender, etc, which in fact go against the goals of managing diversity. Hence currently in South Africa, organizational development and its practical application of organizational diversity, has not made any contributions to changes in human systems and the organizations science.

Managing diversity exceeds the simple acknowledgement of a diverse workforce. This should be noted as an obstacle in diversity management agendas in South African organizations, because managing diversity should include the acceptance of differences; overcoming discrimination; and promoting the inclusiveness of all staff (i.e. South African managing diversity interventions have actually perpetuated these challenges) (Green; Lopez; Wysocki & Kepner, 2009: 2). Managing diversity is not solely about us pretending and ensuring that every culture is equal; it really is about society being able to change the negative perceptions of cultures without having to emphasize cultural differences. (Steyn and Motshabi, 1996: 75) Therefore what we require is the revision of diversity programs that would not emphasis ethnic identities, etc. but would rather consider the minimalist approach in which identities are constructed socially according to the way they behave in a certain situation (Steyn and Motshabi, 1996: 172). This would ensure that organizations recognize the strength and weaknesses of individual employees, in addition to recognizing their developmental needs (i.e. how to train them) (Steyn and Motshabi, 1996: 175)

People will be identified as equal human beings first, and this would overcome the problem of differences whereby employees will find commonalities that will bind them together. (Steyn and Motshabi, 1996: 179) We need to keep in mind that culture is always evolving in order to fit into society and meet its demands; therefore one cannot be labeled an Indian, for example, because Indian culture itself is prone to change. (Steyn and Motshabi, 1996: 179) By saying this, I am also implying that African styles of management would be a failure due to the constant evolution of culture. (Steyn and Motshabi, 1996:179) This does not mean that we must ignore ethnic differences, because cultural differences will always exist and they should be recognized, however we need to put greater emphasis on responding to the multi dimensional and series of social identities of individuals (Human; Bluen and Davies, 1999: 116) By recognizing differences, organizations will be able to respond and understand employees cultural needs such as a day of for deaths or burials, early leave on Friday for a Muslim who wishes to go to mosque, maternity leave for women, etc. (Human; Bluen and Davies, 1999: 123). However whilst recognizing differences, we need to work with diversity by looking at individuals as multi-dimensional (Human; Bluen and Davies, 1999:123). This is what Beall (1997) refers to when he speaks of the need to ‘value difference and working with diversity’ (Beall, 1997: 3).

CONCLUSION

In conclusion, Managing diversity effectively brings value to organizations. Managing the differences amongst employees without perpetuating these differences benefits organizations by creating a competitive environment that would allow them to overcome the challenges of globalization. From an employee perspective, managing diversity allows for workers to be given equal chances to training, promotion, combats discrimination and produces solidarity amongst staff members (Green; Lopez; Wysocki & Kepner, 2009: 3). To translate South African diversity interventions in organization development terms, it would be appropriate to state that managing diversity interventions is based on ‘little research’ (i.e. just redressing injustices of apartheid). There has been very little attempt to explore that organizational development should actually encompass a multifaceted approach that covers broader and more complex issues (such as the consequences of redress legislation in managing diversity, for example) (French, 2005: 87). Hence whilst diversity is a multi-disciplinary behavioral science application that explores and attempts to change the interactions of organisms (i.e. employees) in an organization, a tool to
implement a change in human systems, a tool used for measuring the communication amongst diverse workers, teams, a tool that facilitates a change by applying its knowledge of how individuals and groups act within the organization in relation to accepting and acknowledging diversity, etc; it has not had this effect in South Africa. However, whilst we have disagreed with Porras and Robertson’s (1997) definition of OD when we assessed its implications in South Africa, we have also provided solutions to the challenges that OD faces in managing diversity in South Africa. Hence I conclude by saying that I do agree with their definition of organizational development, provided that South African organizations begin to take a minimalist approach that recognize individuals as multi-dimensional. It is recommended that greater research in this direction be undertaken by other researchers in order to promote research and development within business management.

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