Organization Development

By Leng Chhay

What is an Organization?

Are "Institutions" and "Organizations" the same?
No, they are not the same. If institutions can be defined as the "rules to govern individual and collective behaviors", organizations are how we structure ourselves to act. The key distinction between institutions and organizations is that between rules and players.

Organizations are thus groups of players who come together for a common purpose or to achieve specific objectives[1]. They adapt their tactics and organization according to externally defined rules and regulations. Organizations encompass political bodies such as political parties or parliaments; government organizations such as ministries, departments; NGOs; economic bodies such as firms or businesses; and social bodies such as pagoda/churches and schools.

1.1. What is Organization Development?

» Organization Development (OD) is a process that is planned and implemented to change and improve any aspect of an organization. OD focuses on the whole organization, both on systems and people .

» The ultimate goal of OD is to improve the effectiveness of the organization functioning, which leads to the improvement results of program delivery.

Why Organization Development?

» The overall benefit of OD is for an organization to have improved effectiveness. Effectiveness is about making sure that what is done is really needed to achieve the task or goal.

» OD is a body of knowledge and practice that enhances organizational performance and individual development, viewing the organization as a complex system.

» The change process supports improvement of the organization or group as a whole. The Organization and the consultants work together to understand the current situation, define issues and determine a suitable course of actions that provide opportunity for change.

» OD addresses the issues of productivity, profitability; morale and quality of work life of staff, which impact the achievement of organizational goals in program delivery.

[1] *DFID – Promoting Institutional and Organizational Development, page v*

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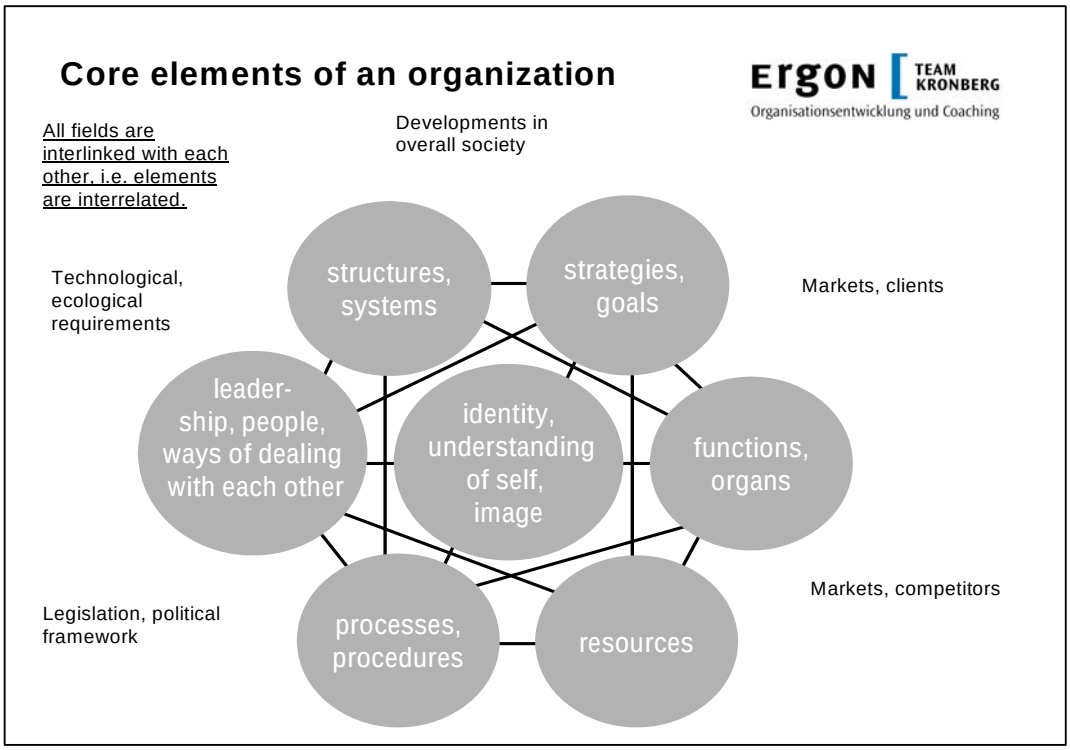
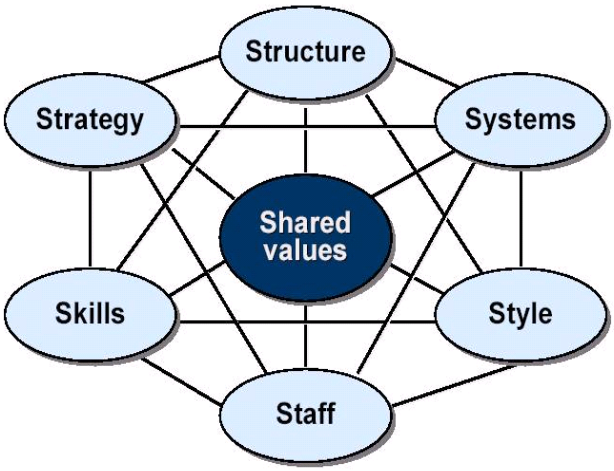
What aspects of an organization need to be developed?

Organization Development is about changing and improving any aspect of an organization. Therefore, it is important to understand the important aspects of an organization. Different consultants categorize different aspects of an organization. Even though, many aspects / sub-aspects are similarly defined.

a. Core elements of an organization[2]



b. The 7 "S" model from McKinsey



[2] *Ergon Team Kronberg: OD Asia workshop 2, December 2005, page 5*

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c. A more holistic view of elements of an organization:

- Organizational direction: vision, mission, goal
- Governance
- Plans (strategic and operation)
- Structure
- Policies
- Systems and procedures
- Reporting and documentation,
- Resources (financial, human, materials)
- Resource development
- Financial management
- Human resource management
- Project management
- Organization evaluation

- *Organizational values*
- *Leadership*
- *Internal relationships*
- *External Communication and networking*
- *Learning and adaptation*

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