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CRITICAL ROLE OF PEOPLE IN ORGANIZATIONAL DEVELOPMENT

AZ EMBERI TÉNYEZŐ KRITIKUS SZEREPE A SZERVEZETFEJLESZTÉSBEN

MARIA JAKUBIK
PhD, Head of Master Programme
Haaga-Helia University of Applied Sciences, Helsinki, Finland
Research, Development and Innovation Services Department
maria.jakubik77@gmail.com

ANDREA BENCSIK
PhD, Habil, CSc, Professor
University of Pannonia, Veszprém, Hungary
bencsik.andrea@yahoo.com

Abstract

This paper seeks to answer the question Why is the human factor critical in developing organizations? The paper assumes that organizations are living open systems created and developed by people. Therefore, in organizational development processes, it is essential to focus on the human factor of the organization and on the life-giving forces which energize people and foster innovations. Appreciative inquiry (AI) was chosen as the research method. This approach changes the attention from problem-solving to developing organizations based on their strengths. The life-giving forces (LGFs) of 29 organizations were determined during a four-year period of research. Data were collected and analyzed qualitatively by groups of Master's students. Altogether 319 interviews were conducted by asking 'unconditional positive questions'. This paper presents the synthesis of the findings of the MA students' inquiries. The findings assert that discovering what provides joy and happiness for people in work serves as a strong basis for them to dream, design and achieve their own and their organization's destiny in the future.

Keywords: organizational development, human factor, appreciative inquiry (AI), unconditional positive question, life-giving forces (LGFs), action research (AR).

Absztrakt

A tanulmány arra a kérdésre keresi a választ, hogy mitől lesz kritikus a humán tényező a szervezetek fejlesztésében. A tanulmány élő, nyitott rendszerként vizsgálja a szervezeteket, amelyek az emberi tevékenységek által mennek keresztül dinamikus fejlesztésen. A szerzők szerint élethosszon át kell, hogy működjenek azok az erők (life-giving forces), amelyek energiákat adnak a fejlődésre és a gyorsabb innovációra. A tanulmány a hagyományos probléma-megoldásról a szervezet erősségein alapuló fejlesztésre helyezi a hangsúlyt (appreciative inquiry). A kutatási tapasztalatok 4 éves időtartamban 29 szervezetnél 319 interjú alapján születtek. Az interjúk felvételében a Finn egyetem mester képzésében résztvevő hallgatók működtek közre. A „feltétel nélküli pozitív kérdésekre" adott válaszok olyan irányba mutatnak, hogy a munka közben megélt élvezet- és boldogság-élmény erős bázist jelent a tanulmányban 4-D Körnek nevezett (Dream – Discovery – Design – Destiny) modell sikeres létrehozásához és annak eredményes működtetéséhez, kis- és nagyvállalati szervezetekben egyaránt.

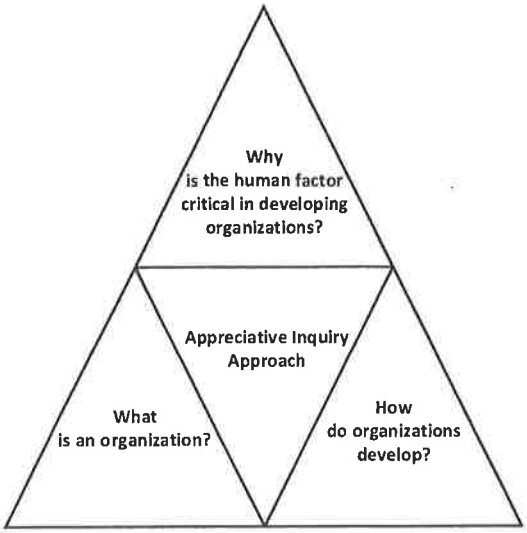
Kulcsszavak: szervezetfejlesztés, humán tényező, feltétel nélküli pozitív kérdések, appreciative inquiry (AI), éltető erők, akciókutatás.

1. INTRODUCTION

Traditionally, organizational change defined as a dynamic ongoing process of moving from the current state of the organization to a potential future state *(Farkas, 2013).* This definition of change however is not adequate in the current, uncertain and flux business environment because 'change is no longer viewed as that something that happens every now and then and can sometimes be disruptive; it is viewed as an integral part of our working life' *(Dawson – Andriopoulos, 2014, 45.).* All development involves some kind of change, but not all changes lead to development. There is a proliferation of theories and approaches to organizational change in the literature *(Ibid., 2014, 131–134.).* Despite the growing body of empirical research and theoretical literature about change *(Burke, 2011)*, more understanding needed of the new drivers and the new forms and processes of organizational change and development. This paper focuses on the human factor of organizational development.

The questions this paper seeks to answer and the selected research approach are presented in *Figure 1* below. The main research question of the paper is '*Why is the human factor critical in developing organizations?*' In order to answer this question, the sub-questions '*What is an organization?*' and '*How do organizations develop?*' explored.

Figure1. Research questions and approach



Source: Jakubik

The selected research approach is appreciative inquiry (AI) which is a form of action research (AR). This research approach is chosen because AR is conducted with the involvement of people, it is research *with* rather than *on people (Heron – Reason, in Reason – Bradbury, 2007)*. Appreciative inquiry is appropriate because the paper seeks to shift the attention from problem solving to determining the strengths of the organizations and building on them. In appreciative inquiry, people actively participate in developing their organizations.

The paper organized in seven parts. After the Introduction, assumptions about organizations and their development clarified. Next, the suitability of AI as the research approach explained, the research process and the findings presented. Finally, the main research question is answered, the implications this research discussed.

2. WHAT IS AN ORGANIZATION?

The underlying assumption of this paper is that organizations are emerging, living, open systems created by people. In the literature, there are different paradigms, assumptions, debates, and views exist about organizations.

Currently, we sense a substantial move toward assumptions that organizations emerge through social interactions of people. People construct an organization, and therefore it could be viewed as *'patterns of relating' (Stacey, 2007[1993], 265.)* of humans interacting with each other in constructing the organization. *Fonseca (2004[2002], 75-80.)* argues that '... "the organization" is temporarily "successful" patterns of interactions that participants accept as "good enough" to be continually repeated, so becoming organizational habits.' *(ibid., 77.)*

3. HOW DO ORGANIZATIONS DEVELOP?

All development is change, but not all changes lead to development. In today's dynamic and unpredictable business environment, the sources of competitive advantage of businesses changed from land, labour, and capital to knowledge and learning. In the knowledge and learning economy, only organizations that are able to learn quickly and innovate fast could create and sustain their competitiveness *(Farkas – Dobrai, 2014)*. We argue here that *people* who are able to learn and develop the learning environment in their organizations will enable their organizations to learn and develop. Thus, if organizational learning depends on the learning ability of their people, it makes the human factor critical in organizational development *(Farkas, 2013).*

We argue that organizational development depends on the ability of the people in the organization to learn. It is assumed here that organizations are perceived not as pre-given objective contexts but rather as living, organic, open, and complex systems. Organizations are the results of human interactions, results of sense making and learning *(Jakubik, 2011, 392.)*.

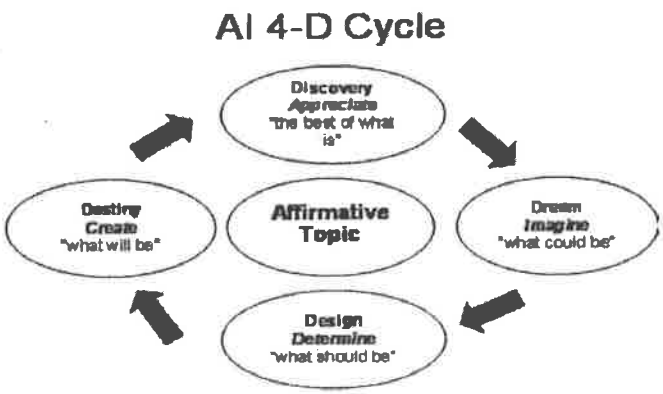
Therefore, the learning ability of organizations means that the organization has the capacity to act (i.e., react to external impulses), make plans and choices, build models to operate in a new way, make sense of the changes in its environment, and have an impact on its social and non-social environment. The learning and development ability of an organization most importantly

depends on the human factor *(Dobrai – Farkas, 2016)*. Next, the research approach, and the findings presented.

4. RESEARCH APPROACH

The research approach, as shown in *Figure 1*, is AI. The discovery, dream, design, and destiny phases of AI are presented in *Figure 2* below. The affirmative topic here is the human factor of organizational development. The AI assumption is that organizations are generative and constantly evolving, growing and building up their own future in order to move towards renewal and positive organizational change. This view is in line with the new wave of organizational development that is called Innovation-inspired Positive Organization Development (IPOD). It considers AI as a strength-based management *(Cooperrider and Godwin, 2010, 12–13.)*.

Figure 2. Appreciative inquiry 4-D cycle



Source: duckduckgo.com

Positive experiences of people in organizations called life-giving forces (LGFs) of organizations that enable value creation. *Ludema et al. (2001)* argue that there is a need for a new way of thinking and asking 'unconditional positive questions', because 'scientific vocabularies of deficit establish the very conditions they seek to eliminate' *(ibid., 191.)*.

5. RESEARCH PROCESS

The process of this research follows the practical guide of *Thatchenkery (2003)*. He proses the (1) Identification of the life-giving forces (LGFs) or core values; (2) Expansion of LGFs or core values using appreciative interviews designed and conducted by the AI team; (3) Thematic analysis of the data to undertake organizational analysis; (4) Constructing possibility propositions; (5) Consensual validation of the propositions; and (6) Creating and mandating an implementation team.

The data were collected over four years, 2007-2010 by MA students for their AI research projects as part of their studies. There were altogether 29 small, medium, large, international, and local companies operating in different sectors like telecommunications, human resources management, consulting services, banking, and service providers involved in the projects. When synthesizing the findings of 319 appreciative interviews conducted by MA students, it was discovered that what gives life to organizations has direct impact on developing them. Next, the findings are presented.

6. FINDINGS

The life-giving forces discovered during the studies are presented in 'word clouds' created with www.wordle.net *(Feinberg, 2009)*. In 2007, 74 appreciative interviews conducted in 12 organizations. In *Figure 3*, the synthesis of identified LGFs presented. The main LGFs of these 12 organizations were teamwork, customer, others, individuals, people, skills, know-how, attitude, atmosphere, collegiality, professionalism, communication, cooperation, and service. In 2008, 37 appreciative interviews were conducted in 4 organizations, and their LGFs are shown in *Figure 4*. Combining all LGFs of these organizations, the most dominant ones were motivation, growth, collegiality and collaboration. In 2009, 109 appreciative interviews were conducted in 7 organizations involved in the studies. Synthesis of the LGFs *(Figure 5)* of these specific organizations revealed that professionalism, teamwork, working environment, communication and customers were the most energizing forces. In 2010, 99 appreciative interviews were conducted in 6 organizations and the main LGFs were identified as work itself, team-spirit, ways of working, and knowledge *(Figure 6)*. Comparing the findings of all AI projects from 2007-2010 reveals that the work itself, teamwork, team-spirit, and working environment

were present in all lists of identified LGFs. Professionalism, growth, collegiality are appreciated and they give meaning to work. An interesting finding is that in 2010 knowledge came out as the LGF of organizations.

It is valuable to see the synthesis of all LGFs of 29 organizations researched through the 2007-2010 period *(Figure 7)*. When all the LGFs identified in 319 appreciative interviews for 29 organizations were analyzed and synthesized, the most significant LGFs were teamwork, work and working environment, team-spirit, communication, cooperation, collegiality, collaboration, people, customers, know-how, professionalism, products, motivation, sharing, feedback, and atmosphere.

Figure 3. Life-giving forces in year one

Figure 4. Life-giving forces in year two

Figure 5. Life-giving forces in year three

Figure 6. Life-giving forces in year four

Figure 7. Synthesis of life-giving forces of 29 organizations

Source: Jakubik

Summing up, there is a need for redirecting the attention in organizational analysis and design from a critical, problem-solving approach to a positive approach that motivates and energizes people in developing their organizations. This paper demonstrates that AI as a research approach is appropriate, and it would need more attention in organizational development research that focuses on the human factor in this process. The next section answers the main research question, and briefly discusses the possible value contribution and implications of the paper.

7. DISCUSSION

The main research question of this paper *(Figure 1)* is *'Why is the human factor critical in developing organizations?'* Organizations created by interactions of people and they developed through social learning processes. We argue that in organizational development processes, it is essential to focus on the human dimension of the organization and on the LGFs, which energize people and foster innovations.

The findings showed that teamwork, working environment, team-spirit, communication, cooperation, collegiality, collaboration, people, customers, know-how, professionalism, products, motivation, sharing, feedback, and work atmosphere are the forces that drive organizational development. Human skills, knowledge and competencies are the main source of competitive advantage and economic value creation. People in organizations are unceasingly and dynamically evolving, learning and developing. Therefore, it is critical to focus on the human dimension that became the main driver of organizational development.

This paper sought to redirect the attention from changing organizations, where people mostly seen as passive objects or targets of change, toward giving people a more active role in continuously developing their organizations.

This paper argues that, in the change processes, it is necessary to shift the role of people from a passive to an active one, and to redirect their thinking from problem solving to the strengths of the organizations. Furthermore, we argue that because of these changes people will be more involved, energized, motivated and empowered to develop their organizations and to face more successfully the puzzles of the ongoing change.

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NOTE

The full version of the research paper is available at: https://www.researchgate.net/publication/281439146 The human factor of organizational development.

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