

## Organizational Development : An Anchor for SMBs as the World Changes Workplace - Issues and Challenges

Soudeepya Chinni \*

### Abstract

*With the pandemic changing our ways of life, it is becoming increasingly necessary for organizations to adapt optimally to thrive in this dwindling economy. This paper presents how the field of Organizational Development (OD) can serve as a guidepost to small- and medium-sized businesses (SMBs), in the United States, to help pivot their business strategies towards a more fruitful and sustainable future. The overarching goal of employing tools, techniques, and principles informed by behavioral science knowledge, which is foundational to OD, is to help SMBs achieve organizational effectiveness. Organizational development focuses on analyzing business operations and personnel, advising and guiding business leaders, and bringing about systemwide planned change in order to help accomplish sustaining business success for SMBs, all while maintaining and promoting human- or employee-centric values that are aligned with organizational goals. Assessing and shifting workplace culture, promoting systems thinking, and leveraging talent, data, and technology are some of the many ways in which organizational development can influence a viable path forward for SMBs. Expert guidance from OD practitioners, at a time when SMB failures seem to be becoming commonplace, can help these businesses focus on pressing issues at hand that are directly impacting business success, in the pandemic era. Finally, the recommendations presented in this paper can be extrapolated to businesses - small, medium, and large - across the world, especially to those that are willing to invest in their workforce long-term.*

---

\* Soudeepya Chinni is a master's degree candidate of the Industrial-Organizational Psychology program at the University of Maryland, College Park, USA

**Key Words:** *Business Administration, Organisational development, COVID 19, SMBs, OD practitioners.*

Organizational development, also called OD, has been defined by Cummings & Worley in 2005 as “the system wide application and transfer of behavioral science knowledge to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organizational effectiveness”. This systematic application of behavioral science principles and knowledge is crucial in increasing individual and organizational effectiveness, while finding a “balance between promoting humanistic values within organizations, and applying the field’s competencies to the analytic and rational based approaches of efforts such as strategy formulation and organizational improvement” (Worley & Feyerherm, 2003). Understanding the utilization of organizational development and its best practices across small businesses, otherwise called SMBs, is the focus of this article, while highlighting trends in workplace culture shift in the light of the recent pandemic.

As of 2017, 99% of America’s businesses were made up of small- and medium-sized firms, according to the Small Business Administration. While these businesses contribute to 44% of the US economy and create 1.9 million jobs annually; not many business leaders of these firms are aware of the existence and/or utilization of Organizational Development (OD) practices for the sustainable growth of their business.

Referring to technology companies, Thomas Friedman, writes in his book, *The Earth Is Flat*: “The experiences of the high-tech companies in the last few decades that failed to navigate the rapid changes brought into their market place may be a warning to all businesses, institutions, and nation-states that are now facing these inevitable, even predictable changes, but lack the leadership, flexibility and imagination to adapt – not because they are not smart or aware, but because the speed of change is simply overwhelming them.” When this idea is extended to the small- and medium-sized businesses of America who are struggling to operate due to the economic setbacks they face as the pandemic continues to shut the nation down, what we are seeing is 100,000 SMBs permanently closed in the first three months of lockdown and projections of 7.5 million SMBs at the risk of closing in the next few months, if the pandemic continues unabated. If you are leading

an SMB, now is the time to start investing your resources into necessary long-term measures to adapt to the unprecedented changes in the nature of work as the impact of COVID-19 continues to grow.

### **The broader purpose of OD**

If you are the Chief Executive Officer or President of an SMB, you already have your plate full with handling numerous moving parts of your business in light of the pandemic, all while constantly working on how to create an edge for your firm in a competitive market. This challenge, when compounded with the changing nature of work, in terms of a handling a multigenerational workforce, evolving flexibility of working conditions and, emerging technologies, all against the backdrop of an evolving pandemic, can put pressure on how you, an SMB, will face the challenges of these changes head-on and still make your business thrive in the long run. Employee retention strategies may not be on the forefront for you when a competitor is winning that RFP your team has worked on for months. Work-life balance considerations for your employees may take a back seat when you are busy targeting potential clients. Employee development may not be your focus when strategizing about new revenue streams to grow your business. These are only a few examples of workplace issues where an OD practitioner can help you - whether this practitioner is an internal hire in your organization or an external consultant.

### **Shift workplace culture**

Now more than ever, it is important for SMB leaders to assess the culture of their workplace and recognize whether a shift is necessary, in order to sustain their business. Whether this shift in culture means rolling out a new leadership model, redesigning HR's workplace policies or establishing a framework of accountability as we pivot towards more remote work, an OD practitioner can help lay the ground work for necessary structures that are tailored to your organization's needs and assist you in navigating these change processes. Embedding employee-centric practices into the culture of a company is becoming more significant since our familiar ways of working are rapidly changing. This means that what had worked for your employees in a traditional 9 - 5 office setting may no longer work, as the pandemic continues to evolve. An OD practitioner can, however, help

you make data-driven and informed decisions around establishing new policies and practices that cater specifically to your company's culture and needs.

### **Employ systems thinking**

As financial resources continue to deplete and markets shrink during the coronavirus recession, it is only wise that SMB leaders lay more focus on increasing revenue and keep their business afloat. During such a time, it can become quite challenging for leadership to see how people, processes, structures, and policies all still exist in an interconnected web of relationships. Unless SMBs have a dedicated OD unit or can leverage their HR's expertise in OD, it is crucial that an OD practitioner analyzes the company's systems – in the way of events, patterns and structure–and advise the leadership on how to improve these systems to meet the business' strategic goals.

Bradford and Burke, in their book, *Reinventing Organizational Development* wrote, "In a world where change is constant, for organizations to be adaptive, decisions must be pushed down the hierarchy and members must be aligned around the same strategic goals. OD practitioners know how to do this." While, as an SMB leader, you are steering through workplace changes, an OD practitioner can help you align your business' vision, mission, core values, and decisions to reflect your strategic short- and long-term goals. Using behavioral-science knowledge, the OD practitioner can assist with increasing your organization's effectiveness and health through planned interventions in the organization's processes. Furthermore, they can work with you in establishing plans to communicate agreed upon incremental changes across the organization and/or business units.

### **Leverage: people – data – technology**

SMBs have more data than they sometimes know what to do with. The small business firm that I had worked for had its application development department build an internal reporting system that pulled data from across different internal systems – your *CRM*, *ATS*, *HRM* and the like. While this data was utilized to make business decisions that focused on the company's strategic goals around client acquisition and retention, little to no data was utilized about its employees – past, present or potential. The data was there. The data had been there for the eight years that the company had been in

business. However, it was not until certain OD processes were put in place at the firm, that the data started getting utilized to make employee-centric decisions.

As an internal OD consultant, I helped the company conduct employee feedback and engagement surveys, gathered 360-degree feedback, and implemented employee development programs such as, orientation, coaching, and mentoring. All this, while utilizing existing unobtrusive data and leveraging technology – *survey tools, web conferencing platforms, process improvement tools, etc.* – are used to gather new data.

OD practitioners, through expert data gathering techniques, can help employees engage in providing feedback across genders, generations, and business units. They then utilize this information in crafting analyses and providing recommendations that may not be apparent to a business leader's eyes. The analyses can then be used by SMB leaders to make informed business decisions about programs, policies, and practices that affect employee selection, hiring, engagement, retention, and development. These decisions will become increasingly crucial to SMBs in the next six to twelve months when layoffs may become inevitable, hiring new talent may seem daunting, promoting internal staff may come with its own financial challenges, employee satisfaction levels may drop and so on, as we face more economic hardships as a nation. Having an OD practitioner can help you make the right decisions driven by data can alleviate some of this stress and let you focus on growing your business.

### **Some more OD to wrap up**

The functions of an OD practitioner are varied and can heavily depend on the diagnostic work they do for the SMB at the outset. OD practitioners analyze operations and personnel, advise and guide business leaders, and bring about system wide planned change, all of which result in increased organizational effectiveness and health. If you are an SMB leader and find that your time is being consumed by keeping up with the day-to-day demands of a COVID-19 run world, if you are unable to take time out to assess the health of your firm regularly and plan for future growth or, if you are finding yourself being buried by marketplace pressures but know little about how your employees are doing – Organizational development is

the anchor that will keep your SMB grounded in success.

## References

- Cummings, T. G., & Worley, C. G. (2005). *Organization development & change*. Mason, OH: South-Western.
- Foster, C. (2014). Organisational Development. Retrieved from <http://organisationdevelopment.org/about-od/the-od-cycle/the-diagnostic-phase/diagnostic-data-collection/>
- Friedman, T. L. (2006). *The world is flat: A brief history of the twenty-first century*. New York, NY: Farrar, Straus and Giroux.
- Gill, T. (2018, March 07). Changing an Organization's Culture, Without Resistance or Blame. Retrieved from <https://hbr.org/2015/07/changing-an-organizations-culture-without-resistance-or-blame>
- Iacurci, G. (2020, April 15). 7.5 million small businesses are at risk of closing, report finds. Retrieved from <https://www.cnbc.com/2020/04/14/7point5-million-small-businesses-are-at-risk-of-closing-report-finds.html>
- Kayyem, J. (2020, May 19). Never Go Back to the Office. Retrieved from <https://www.theatlantic.com/ideas/archive/2020/05/never-go-back-office/611830/>
- Kelleher, K. (2014, June 30). How Small Businesses Can Utilize Big Data to Unlock Secrets. Retrieved from <https://www.inc.com/magazine/201407/kevin-kelleher/how-small-businesses-can-mine-big-data.html>
- Long, H. (2020, May 13). Small business used to define America's economy. The pandemic could change that forever. Retrieved from <https://www.washingtonpost.com/business/2020/05/12/small-business-used-define-americas-economy-pandemic-could-end-that-forever/>
- US Small Business Administration. (2018, April 25). 2018 Small Business Profiles for the States and Territories: The U.S. Small Business Administration. Retrieved from <https://www.sba.gov/advocacy/2018-small-business-profiles-states-and-territories>
- Worley, Christopher & Feyerherm, Ann. (2003). Reflections on the Future of Organization Development. *The Journal of Applied Behavioral Science*. 39. 97-115. 10.1177/0021886303039001005.