

# 2022: Is It Finally Time to Take OD Seriously?

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## About the author

Geoffrey Matthews, MA, FCIPD, is an experienced consultant and coach, who writes and lectures regularly on HR and OD topics. After holding senior HR positions in major companies including HP, Nestlé and Roche, Geoff now helps organisations with challenges such as people strategy, change management and employee engagement.



As developed countries head into 2022, they face a mixed landscape – on the one hand, labour markets are recovering, but at the same time businesses are struggling with supply chain bottlenecks and cost pressures, shortages of key products like microchips, and shrinking numbers of job applicants. The IMF's Managing Director has warned that "We face a global recovery that remains 'hobbled' by the pandemic and its impact. We are unable to walk forward properly—it is like walking with stones in our shoes!" The effect of the pandemic is also reflected in many workplaces, with people grappling with the implications of changed ways of working. While some people are glad to be back in their old workplaces, others might not be. One thing at least seems to be clear – we can't assume that the past year-and-a-half was a temporary aberration, and that we are simply on course to bounce back to how we were before. In this article, we'll therefore explore some of the major issues facing HR leaders in 2022 and beyond, and we'll look at how an Organisation Development (OD) approach could be invaluable in answering them.



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### Three Key Challenges

For HR leaders there are three key challenges that they face.

**Firstly,** they are operating in a world of exceptional uncertainty, where unexpected surprises could easily throw everything off course. For example, the spread of the Delta variant has meant over half of US organisations have changed their return to work plans according to one survey (Korn Ferry, 2021). So, unless organisations are fast and flexible in their response, they risk being wrong-footed by the rapidly-changing environment around them. These issues are also becoming increasingly interconnected; for instance, the maritime, road and aviation industries recently warned the UN General Assembly of the risk of "global transport systems collapse" unless rapid action was taken.

**This,** in turn, creates a second challenge for HR leaders – that of having to handle even more complexity than in the past. This is reflected in workplaces, which may now have to knit together multiple ways of working, such as onsite or remote, or core staff and contractors.





A third challenge is that expectations have shifted during the pandemic. The old paradigm of people travelling to work was replaced for many by working from home (WFH). This has since extended to working from anywhere (WFA), leading to groups of remote workers moving – for example - to Barbados or Estonia. As a result, people want a bigger say in future about where they work, and how they balance job demands with home life.

Others have had time to re-evaluate what matters, and to question if they want to return to the jobs they had in the past. Whether it's the hours and pay on offer (such as in the hospitality sector) or job-related stress (such as for some teachers and healthcare staff), people are now questioning how fair is the deal they have been getting at work.

The other shift in expectations is that, as people look to the future, there's a greater demand for organisations to do business better. Issues like racial injustice or climate change have led to over a third of people saying they want to work for organisations guided by clear values and a concern for society and the environment too (Mercer, 2021).

### Implications for HR Leaders

Given these challenges, strong execution of the transactional basics is not enough. In particular, this uncertain environment means HR leaders will need to:

- Remain attentive to their workforces so that employees feel they are really heard, especially when some may not be on-site and might risk being overlooked;
- Take – as Dave Ulrich would call it – an 'outside-in' view as to what is happening externally and identifying possible implications for their organisation;
- Work with leaders to help articulate where the organisation is heading in the future and (re) engage with employees on this journey;
- Excel at change management, especially digital-related change, which otherwise runs the risks of seeming too fast and very impersonal if poorly done;

- Make employee wellbeing a priority – which means not only tackling the symptoms (e.g. workload pressures) but also the root causes (e.g. job design or culture);
- Ensure that demands by some employees to re-visit the employment 'deal', or address broader environmental and social concerns, are taken seriously;
- Help managers – who are pivotal in creating the employee experience – in leading virtual and hybrid teams, as opposed to more traditional in-person management;
- Create comprehensive solutions to people issues by breaking down internal barriers within HR (e.g. in addressing talent shortages) or with other functions (e.g. working with IT to deploy hybrid working methods).

### OD as a Response to these Challenges

Taking an Organisation Development (OD) approach can help tremendously here, given its role is to "enable organisations to increase performance and to ensure robust organisational health" (Cheung-Judge, cited in Matthews [2019]). Taking an OD perspective matters since:

1. Problems no longer get tackled piecemeal or in silos: rather, a holistic view is taken across all dimensions of the organisation, such as strategy, organisation design, leadership, team effectiveness, performance and rewards, culture and change management. Such a systemic approach is key when the world we are in has so many interconnected issues and the solutions to them have to be aligned and coherent;
2. It is not only looking at how organisations can perform better, but also how the lives of those in them can be improved. It is people-oriented, built on the learnings of behavioural science, and seeks to address issues of inclusion and equity and how to create a better world for the future;





3. It is built on robust theory, informed inquiry, and skilful intervention, rather than simply embracing the latest fad or resorting to a 'quick fix' solution. It encourages dialogic and participative approaches, rather than assuming that telling and directing others will automatically make change succeed. Importantly, it seeks to enable and empower employees and organisations, so that they can learn and grow themselves over time, rather than continue to be dependent on external help.

While some HR teams may be working on the above basis already, for others OD may be absent, or confined to a specific part of HR dealing with (say) team effectiveness or learning. But with the definitions and competencies of OD recently being revis-ed and renewed (OD Gathering, 2021) it's worth HR leaders taking a fresh look at this approach as it can help better address the current situation. By looking at the different dimensions of organisations on a dynamic basis, and developing solutions that are informed and holistic, HR can provide leaders with a candid assessment of what is going on, and deliver more value-added responses as opposed to simply 'firefighting'.

## What Next?

Taking an OD approach requires a strong strategic perspective, a broad range of skills and techniques, and effectiveness in influencing stakeholders, starting with those at the top of the organisation. Some HR departments may have these ingredients in place, others may need training, coaching or added resources to do this. But the past year-and-a-half has seen many HR teams step up successfully to the challenges of the pandemic and supporting organisations deal with rapid change, switching to new ways of working, and fostering resilience in the face of great difficulty. This can be a springboard to the future, especially as reverting to 'business as usual' is not an option given the challenges previously mentioned.



So, if we want to help 'build back better', shouldn't an OD approach be at the heart of how HR teams tackle 2022 – and beyond?

OD Consultant Andrew Day (2020) argues that given the dynamic world we face, organisations face the choice of whether to "pull together" or "pull apart" and suggests that this calls for organisations to be more collaborative, dynamic, purpose-driven and humanistic.

So, if we want to help 'build back better', shouldn't an OD approach be at the heart of how HR teams tackle 2022 – and beyond?

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