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Grid Organization Development – A Route to Organizational Excellence

Dr Rafagat Islam

Ex-Faculty Member, Institute for Strategic Studies, Research and Analysis (ISSRA), National Defence University, Islamabad, Pakistan

Correspondence: rafaqatislam@yahoo.com

Dr Sarfraz Hussain Ansari

Assistant Professor, Department of Government &

Public Policy, National Defence University, Islamabad, Pakistan

Dr Khalid Mahmood Shafi

Faculty Member, Institute for Strategic Studies, Research and Analysis (ISSRA), National Defence University, Islamabad, Pakistan

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Abstract

The pursuit of organizational excellence has been a central concern since the rise of industrialization, gaining prominence during and after World War II. Grid Organization Development (Grid OD), developed by Blake and Mouton, is a theory-centered approach that aims to maximize organizational effectiveness through structured interventions. This article explores the principles of Grid OD, contrasting it with technique-centered and processcentered OD approaches. Grid OD is grounded in the Managerial Grid model, which categorizes leadership styles based on concerns for production and people. Through a systematic six-phase training process, Grid OD fosters individual change, team development, intergroup harmony, organizational goal-setting, and planned implementation. The study critically reviews the framework's strengths, its broad global application, and its impact on leadership effectiveness, productivity, and corporate culture. Blake and Mouton argue for the superiority of their approach, countering situationlists perspectives and advocating for the universal applicability of the 9,9 leadership style. This paper underscores the significance of Grid OD in achieving sustainable organizational success.

Grid Organization Development, Individual change, Situationists perspectives, World war, **Keywords:**

Managerial grid model.



Introduction

Blake &McCanse, in their book, *Leadership Dilemmas - Grid Solutions* (1991), declared that the average American company was only achieving one-third to one-half of its potential. This they thought was an underutilization of human resources and hence of financial, material, and technical resources as well. The very first sentence of Blake & Mouton's 'Preface' to their first path-breaking book, namely, *The Managerial Grid* summed up the context wherein they asked Blake and Mouton (1964, p. v) posed a fundamental question: "What is the route to organizational excellence?" This inquiry underscores the prevailing concern of the time—achieving organizational excellence. While the pursuit of excellence has been a focal point since the advent of industrialization, it gained significant momentum during World War II. The war exposed a critical leadership deficit in the United States, both in steering economic transformation on the home front and commanding military operations abroad (Gannon, 1982, p. 357). In the post-war era, the emphasis on organizational excellence intensified, leading to an extensive exploration of strategies and methodologies for organizational development.

What is Organization Development (OD)?

Organization Development (OD) is a comprehensive process that integrates behavioral science principles and methodologies to enhance an organization's ability to adapt, evolve, and achieve greater effectiveness. It focuses on assessing current organizational dynamics and implementing systemic improvements to optimize overall performance. As stated in *Organization Development & Change* (2009, p. 1), OD aims at strengthening an organization as a whole—its structures, processes, and culture—within the broader context of its environment. Cummings and Worley define OD as "a systemwide 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" (Ibid). Similarly, Beckhard (1969, p. 9) characterizes OD as "an effort that is (1) planned, (2) organization-wide, and (3) managed from the top, to (4) increase organizational effectiveness and health through (5) planned interventions in the organization's processes, using behavioral-science knowledge." Bennis (1969) offers another perspective, describing OD as "a response to change, a complex educational strategy intended to transform the beliefs, attitudes, values, and structure of organizations, enabling them to better adapt to new technologies, markets, and challenges, as well as the rapid pace of change itself."

These definitions collectively highlight the distinguishing characteristics of OD in contrast to other approaches to organizational transformation, such as management consulting, innovation strategies, project management, and operations management. Unlike traditional change management, OD encompasses a broader and more holistic scope, addressing an extensive range of activities and topics aimed at fostering long-term organizational growth and resilience.

The emergence of the knowledge economy, with its emphasis on managing intellectual and human capital, has placed organizational learning at the forefront of modern management. Peter Senge, in *The Fifth Discipline* (1990), popularized the concept of the *learning organization*—a dynamic environment "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together" (Senge, 1990, p. 1).

While some complexity theorists argue that organizations themselves cannot learn, the principles of adaptability, agility, and flexibility remain integral to Organization Development (OD). French, Bell, and Zawacki (2000) identify self-reflection and continuous self-examination as defining characteristics of OD, facilitating constant organizational renewal. Varney (2007) reinforces this

notion, emphasizing the role of OD practitioners in "creating space (both physical and psychological) for learning and acting as catalysts for transformation." The OD practitioner's primary function, therefore, is to remove barriers to learning and employ various frameworks, tools, and techniques to help individuals break free from ingrained patterns and adopt fresh perspectives.

The Grid OD Model: A Distinctive Approach to Organizational Development

Blake and Mouton, later on Blake and McCanse recognized the necessity of OD and developed their own theory-driven approach—the Grid OD model. They asserted its superiority over other prevailing OD methodologies of the 1960s (Blake & McCanse, 1991, p. 361). Their claim holds weight, given the extensive adoption of the Grid framework across both geographical and disciplinary boundaries. Over a span of 25 years, the Grid OD model was applied in more than 36 countries beyond the United States, spanning diverse fields of study.

A testament to their confidence in the model's efficacy is found in the bold assertion made in the subtitle of their 1991 book, *Leadership Dilemmas—Grid Solutions*, where they describe their framework as "the most powerful, thoroughly tested, and widely used tool ever designed for developing sound leadership, improving productivity, and boosting profits." Such a definitive claim necessitates a thorough examination of the Grid OD model, identifying its distinctive features and assessing its impact. A critical review of the model, based on the foundational works of its theorists, is essential to provide valuable insights for managers and society at large.

The Managerial Grid: A Foundation for Grid OD

Before delving into Grid OD, it is essential to first understand the **Managerial Grid**, the conceptual framework on which it is built. Developed by Blake and Mouton around 1957, the **Managerial Grid Theory** is based on two fundamental managerial concerns: *concern for production* and *concern for people*.

Blake and Mouton represented these dimensions on a grid, where the horizontal axis (Concern for Production) reflects a manager's emphasis on achieving results, while the vertical axis (Concern for People) indicates the degree of consideration given to interpersonal relationships, employee well-being, and leadership style. These two dimensions are quantified on a nine-point scale, where 1 represents minimal concern, 5 denotes a moderate level of concern, and 9 indicates maximum concern. Based on this framework, they identified five primary managerial styles, each representing a distinct approach to leadership and organizational management.

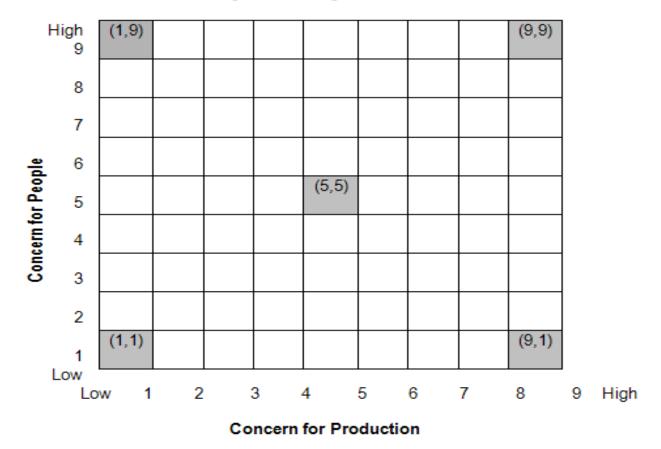


Figure 1: Managerial Grid

The 9,1 Managerial Style – Authority-Compliance Management

Located in the lower right-hand corner of the grid, this style prioritizes production (9) at the expense of people (1). A 9,1 manager—also known as a task manager—relies on authority, control, and strict adherence to schedules. Employees are expected to comply without questioning directives, and dissent is actively discouraged. While this approach may initially boost productivity, its long-term consequences often include reduced morale, diminished engagement, and potential declines in efficiency.

The 1,9 Managerial Style – Country Club Management

Situated in the upper left-hand corner, this style reflects a strong emphasis on people (9) but minimal focus on production (1). A 1,9 manager prioritizes a harmonious, friendly work environment over performance expectations. By fostering positive relationships and ensuring employees feel valued, this approach creates a comfortable, low-pressure atmosphere. However, because there is little emphasis on productivity, output often remains suboptimal.

The 1,1 Managerial Style - Impoverished Management

Represented in the lower left-hand corner of the grid, this ineffective leadership style reflects minimal concern for both people (1) and production (1). A 1,1 manager operates with a hands-off approach, doing just enough to maintain their position but avoiding responsibility for organizational outcomes. As a result, productivity often plummets, motivation declines, and the

organization suffers from a lack of direction. Despite its detrimental effects, Blake and Mouton observed that this passive approach is surprisingly common among individual managers and supervisors.

The 5,5 Managerial Style – Middle-of-the-Road Management

Positioned at the center of the grid, the 5,5 managerial style attempts to strike a balance between productivity and employee well-being. Blake and Mouton describe this style as motivated by the desire to maintain popularity and avoid alienation (Blake & Mouton, 1964, p. 128). A 5,5 manager believes that acceptable performance can be achieved by moderately addressing both production goals and employee morale. While this approach prevents extremes, it often leads to mediocrity, as neither productivity nor employee engagement reaches its full potential.

The 9,9 Managerial Style – Team Management

Located in the upper right-hand corner, the 9,9 managerial style embodies the ideal leadership approach, balancing high concern for production (9) with high concern for people (9). Known as team management, this style is characterized by goal-oriented leadership, participation, collaboration, and conflict resolution. A 9,9 manager believes that when employees understand their roles and the stakes involved, they require less supervision and external control. This approach fosters high levels of commitment, innovation, and productivity, making it the most effective leadership style within the Managerial Grid framework.

Grid Organization Development

Before the grid theory became important in OD training, there existed technique-centered OD, and process-centred OD. The technique-centred OD meant reliance on certain techniques to bring about change. Such techniques included job environment, flexi-time scheduling, quality circles and survey research. This method of OD also included the mechanical approach to management by objectives (MBO). Under MBO, boss would discuss with subordinates and subordinates would be held responsible for results. Blake and McCanse labeled such methods technique-centred because they were undertaken on a piecemeal or segmented basis. In such development little or no effort was expended to enable managers to investigate their own management styles and to learn to distinguish sound and unsound principles as the basis for such techniques.

The other approach criticized by Blake &McCanse was the process-centred approach that claimed to increase the effectiveness of behaviour in organizations. The approach involves managers studying their own behaviour with benefit of critique from peers, and feedback on how to be more effective. Sometimes it is called sensitivity or T-group training, role playing, or even psychodrama. Whatever the name, the approach relied on an outside facilitator, or catalyst, who aided in group learning. Under such method, the trainees later found that they were unable to make significant use of the learning back on the job without the presence of a facilitator. Effective transfer of learning did not take place.

Blake &McCanse call their own grid OD as "theory-centred OD" (Ibid; p.361). Their fundamental notion is that people are behaving about as well as they know how. Through grid seminar people first learn more about what constitutes effective behaviour. When such learning about effective behaviour is coupled with direct experience, particularly in terms of one's own exercise of initiative, inquiry, advocacy, etc, then a person can relate with others in ways that are sound. They write: -

Under grid organization development, change strategies are premised upon learning to think more systematically about how to behave effectively, and then to gain personal insight into concrete

actions that enhance one's own effectiveness. This approach avoids the mechanical presentation of techniques without insight into the human assumptions underlying technique. It also avoids problems of experiencing interaction processes in a subjective way in the absence of an objective framework for evaluating it (Ibid; p.363)

Under theory-based approach to OD, culture of one's own company can be evaluated, whether it is systematic or unsystematic. Unsound practices may be continuing not because they are necessarily sound but because they typify the way things have been done in the past. The grid approach rests upon:

- (1) Aiding all managers of an organization to learn grid theories first in personal terms that clarify to each the current ways in which he or she is trying to achieve production with and through people;
- (2) Helping them learn the skills necessary for applying sound principles of behaviour to solve the major problems of organization (Ibid; p.364).

The theorists think that, under grid principles, they are providing a foundation of theory-based OD to replace the pragmatic approaches. Grid OD, in their view, is a fully integrated approach to corporate achievement because it provides the basis for firm solution to change — planned, deliberate action for putting into place a corporate culture based on standards of excellence. They undertake to justify application of 9, 9 managerial style and they argue for its feasibility. Blake & Mouton take the example of a manager who, after viewing a given situation, may say: "A 9, 9 strategy is impossible here" (Blake & Mouton, 1978, p. 183). They disagree with such a manager and visualize a number of reasons because of which the manager may not have been able to cope with the situation:

- (i) He may insufficiently understand 9, 9 concepts which eliminates the possibility of bringing a 9,9 approach into practice. The solution to the attitude of such manager is education, education about grid styles.
- (ii) The manager may have exhausted his ingenuity in applying a 9, 9 way of leading. The manager's such judgment may only mean that he needs to acquire new skills before he can respond in a 9, 9 ways. The solution then would be in training and promoting an experimental attitude in the manager.
- (iii) A third possibility is that he takes the status quo as given and applies little or no thought even to the prospect of changing it so as to be able to manage it in a 9,9 way. The manager taking the status quo as given excludes many possibilities because of deficiencies of imagination. Then the solution is confirming existence of the issue and rejecting the status quo and seeking change.
- (iv) A fourth reason may be organizational, and pressures for results on the manager. Such a situation would deny the manager the training, the time required, and the needed support to bring about the change.
- (v) Person's private values may conflict with 9, 9 values. This can be seen when a manager seeks to gain by employing various facades (Ibid; p.187).

According to Blake & Mouton, employment of facades is an insidious version of flexibility that is very difficult to change, particularly if the system of relationships among those who work together has become characterized by deception and intrigue. 9, 9 openness would, in the face of actual deception, be self-defeating. The solution then is development of the social system within which

work is done in such a way as to gain consensus on new social norms. Such consensus will change commitment of those who work together towards openness, trust, respect, and so on. Norms change is possible by shifting from flexibility to a versatility concept of leadership. In the view of Blake & Mouton, promoting versatility is what managerial effectiveness training is all about (Ibid.).

The theorists marshal evidence that application of 9, 9 approach in management makes a difference for the better. One of the pieces of evidence which Blake & Mouton present relates to research done in 1962-64 (Ibid; pp. 187-188). The research evaluated the rate of advancement up the promotion ladder of 713 managers in a particular company as a function of their grid style as reported by their colleagues. High achievers, average achievers, and low achievers were identified by a specially created formula that permitted any two managers to be compared for their rates of advancement, corrected for differences in their particular age and current rank in the organization progression ladder. High achievers were managers who were higher in rank than the expected one based upon their current age. Average achievers were advancing at the expected rate for their current age and low achievers were advancing at a less rapid rate than would be expected, based upon their current age. To Blake & Mouton, such investigation demonstrated that most rapid progress was by 9,9, followed by 9, 1, with average achievers characterized by a dominant 5,5 orientations, with low achievers consisting mainly of 1,9 and 1, 1-oriented people.

The two theorists cited the study to support the conclusion that a 9, 9 approach to managing carries with it the greatest likelihood of career success. Research done on this subject and reported in Chapter 13 of The New Managerial Grid provides an evaluation of the impact of an organization-wide 9, 9 orientations on corporate profitability (Ibid; pp.239-240).

The thrust of Blake & Mouton's work was to achieve organizational excellence. Their grid theory indicated that such could be achieved under 9, 9 grid style. In their first book, The Managerial Grid (1964), they devoted three chapters to indicate that 9, 9 managerial style was most relevant to promote excellence in organization. In chapter 10, titled "Career accomplishment and managerial style", (Blake & Mouton, 1964, pp.225-245) they analyzed certain studies (mentioned above) to show that more of the persons adopting 9, 9 managerial style achieved higher positions in their careers than did the ones with other styles. Chapters 12 titled "A 9, 9 Approach to Organization Development"(Ibid; pp.255-285), focused on methods of improvements in managerial competence based on the grid concepts. The authors elaborated an approach to organization development consisting of two main parts, Part I concentrating on managerial grid seminar training (i.e. how to think in grid terms) and a work unit's teamwork development, and Part II concentrating on horizontal and vertical intergroup linking, participatory setting of organizational improvement goals, implementing change so planned and stabilization of improvements so effected. Such organizational development/improvement was envisaged to be a single long effort spread over 2-3 years. In Chapter 13, titled "Organization and Performance", (Ibid; pp.290-311), the authors evaluated the record of the firms that had undertaken the program of managerial/organizational development based on Blake & Mouton 's idea that 9,9 managerial style made for organizational excellence. The authors concluded that OD effort had (1) contributed to organization profitability, (2) strengthened awareness of, and made more, effective the utilization of team action, (3) aided the reduction of interpersonal frictions/increased the degree of interpersonal understanding among individuals whose work required coordination of effort, and (4) contributed toward individual effort and creativity and heightened personal satisfaction in the work.

The point about creativity was further elaborated in *The New Managerial Grid*, in chapter 9 entitled "9,9 Versatility" (Blake & Mouton, 2004, p. 175). Blake& Mouton do not offer any clear-cut definition of the concept of versatility. It seems to relate to creative use of social science principles in problem solving. The authors do illustrate the concept by a hypothetical example of a manager having to decide between proposals from two subordinates, whose recommendations may be contradictory to each other (Ibid; p.179). A 9, 1- oriented manager may accept one recommendation and veto the other one. Blake & Mouton point out that this would create a winlose situation between the two subordinates. Fearing increased difference and conflict, the manager may adopt 5, 5 managerial style to compromise the difference. The best solution to the whole problem could have been 9, 9 approach. In this particular example, according to Blake & Mouton, the 9, 9-oriented boss who has a capacity for versatility might do something else to resolve the coordination problem: he may get subordinates together to face the contradictory character of their recommendations and help them to find a way for them to all work together and solve their problems. With such exercise, some shared view, not previously recognized, may begin to emerge. In the view of Blake & Mouton, versatility could be brought into use in creative and constructive ways that are optimal for problem solving and productivity, and are stimulating to growth and development toward maturity for those involved in the situation. The authors were sure that relying on behavioral science principles and implementing them through versatile applications was analogous to the relationship between scientific principles in physics and their application to engineering problems (Ibid; p. 178).

Principles of behavior, they say, rely on trust and respect and their application would include mutual goal-setting, openness, resolution of disagreements and conflict based on understanding and agreement, learning to change through use of critique, and so on. The authors emphasized all these aspects of behavior and performance that had been verified in social psychology, mental health research, and clinical psychiatry as essential for a sound problem-solving relationship (Ibid). Among other behavioral sciences they include psychology, sociology, anthropology, counseling, political science and history, and field studies of business effectiveness. In addition, they include criminology, penology, studies of slavery, indentured servitude, etc (Ibid; p.181).

The authors' statement is: other things equal, productivity, creativity, and mental and physical health are better served when: (Ibid; pp.181-182).

- 1. Informed free choice is the basis for personal rather than enforced compliance.
- **2.** Active participation in problem solving and decision making is the basis of growth and development rather than passively accepting instructions as to what to do or inactivity reinforced by social isolation.
- **3.** Mutual trust and respect is the basis for sound relationships rather than suspiciousness and defensiveness.
- **4.** Open communication gives mutual understanding in contrast with one-way, hidden, closed, or Machiavellian communication that increases barriers to understanding.
- **5.** Activities are carried out within a framework of goals and objectives for self-direction rather than direction from outside.
- **6.** Conflict resolution is by direct problem-solving confrontation rather than by other ways (suppression, smoothing, withdrawing, compromising or manipulation).
- 7. One is responsible for one's own actions rather than being responsible to someone else.

- **8.** Critique is used to learn from experience rather than repeating one's mistake because experience is not studied.
- **9.** A person is engaging in complex work activities or a variety of activities in contrast with engaging in simple ones or in repetitions of the same activity.

Blake & Mouton argued that principles of behavior undergird specific events both in the physical and the social world. For example, principles of biology account for phenomena of life and make them predictable. By analogy, behavioral science principles should lie beneath human conduct, provide guidelines for soundness, and make it predictable also. They contended that when principles were disregarded in physics, biology, or the behavioral sciences, it could be expected that side effects and longer-term operational consequences would be damaging. An aircraft designed without regard to aerodynamics principles was more likely to crash than one designed and operated consistent with those principles. The particular design could vary with size, engine power, etc., but all aircrafts should conform to some basic principles. Similarly, biological principles of nutrition are constant, but the actual diet of an infant of six months is different from that of a person of forty years of age. Biological principles inherent in the transfer of oxygen into the blood can be violated by an excessive smoker, but not without shortening his expected life span. Based on such reasoning, Blake & Mouton were adamant that the growth and development toward effectiveness of bosses, colleagues, and subordinates could be stunted or distorted by violating 9,9-oriented behavioral science principles of participation, conflict resolution, goal setting, and so on (Ibid; p.177). Non-adoption of valid solutions based on social science principles of behavior was to lead to diminished productivity and profitability.

Blake & Mouton have tried to counter the argument of situationalists who believe that there may be situations where 9, 9 principles may not work. As such, situationalists recommend that behavior be engineered to empirical results only. To counter such arguments, the two authors introduce concept of versatility. In their view, there appeared to be, "one best way" to develop strength in boss-subordinate relationships. That way was for decision making and engineering to be based on scientific principles as verified in basic experimental work and applied with versatility to specific situations (Ibid).

Giving the behavioural science principles of behaviour and conduct indicating how managers operating under each of major five grid theories/styles are likely to behave, Blake & Mouton see the 9,9 managerial style as the only one that is sound. This style is open. It reduces interpersonal friction and creates interpersonal understanding among individuals. It seeks participation of all members of a work operation group/unit, thus enhancing teamwork, production and overall organizational effectiveness and profitability. Indeed, the authors consider it as the "One Best Way" of management. The 9, 9 managerial style is deemed to foster attitudes and behaviour, which promote efficient performance, stimulate and use creativity, generate enthusiasm for experimentation and innovation, and learn from interaction with others. Such managerial competence can be taught and it can be learned. And Blake & Mouton undertook the task both in theory and, through their consultancy work, in practice. In the present study we are concerned with the theoretical aspect.

The authors undertook considerable elaboration in the first major work, namely, *The Managerial Grid*, about 9,9 being the 'one Best way' This they did in chapter 12 entitled "A 9,9 Approach to Organization Development" (Blake & Mouton, 2004, p. 225). Here they identified and discussed possible "behavioural units of development": (Ibid; pp.259-261).

- **a** The individual change
- **b** Group of individuals to change-in-concert
- c Organization as a unit of change/development

Taking into account the three tiers, Blake & Mouton posited six phases of training for creating excellence in organizations.

Phase-I: Individual Change

The pivotal factor in change lies in acquiring personal insight into one's grid style and the cause-and-effect nature of one's behaviour. Along with seeing in an objective manner how one really operates, one needs to be able to determine that there is indeed a better way to do what one is doing. When these two conditions are met, the first step toward change has been taken because a gap has been created between where one currently is and where one would like to be. More is needed, however, before enduring change can be expected to occur. What is important for enduring change is firstly, the change process itself; that is, we have to focus on "How do adults learn?" The main tool we have for seeing the discrepancy between how we behave and how we would conduct ourselves if operating according to a sound model like 9,9, lies in the reflection. Reflection allows us to observe ourselves in operational settings to ascertain why others react to us as they do and to diagnose how some ineffective action that we have taken might have been done in a more productive way (Blake &McCanse, 1991, pp. 269-270).

According to Blake and McCanse, there are three special categories that operate more or less simultaneously with regard to reflection. The first category is introspection. This is what happens when we study ourselves in a solo way. We may ponder why something we planned got off track or perhaps we may inwardly celebrate if it succeeded. A second form is the informal feedback we get from others when they tell us about ourselves. It may not always be offered in a constructive manner, but nevertheless, it can cause us to reflect on why something we did or said elicited that particular reaction. The third category is the more formal process of critique. Critique happens whenever we discuss with other people how something we have done together went and what might have been done to make it more productive. Critique can happen in advance when we anticipate what problems and obstacles may be encountered and how to overcome them. Best of all, critique can happen all along the way to keep us on track with our set objectives. Such standards would reinforce the readiness of people to talk more openly with their bosses and immediate work group members. The subject of group is discussed below in Phase 2.

Phase 2 - Team Development

The second phase involves the individuals given seminar training, segregated into various working teams of the target organization, coming to terms with themselves and their work problems as a group of people with common work goals. Team building begins when all members of any corporate team have completed Phase 1 grid learning and want to apply concepts to their own managerial culture. It starts with the key executive and those who report to him. It then moves down through the organization. Each manager sits down with subordinates as a team. They study their barriers to effectiveness and plan ways to overcome them (Ibid; p.250). In Blake & Mouton's scheme of training, grid team building is a five-day activity implemented during working hours on the job. If job considerations require it, the activities can be segmented into parts and conducted over a longer period. Blake & Mouton give the following quotation from an organization executive as empirical evidence to show that team building has major impact on team effectiveness:

Taken together, Phase I and 2 unlock communication barriers between people, amongst other things. In the past, when we would set budgets, I would calculate what each department would get. Then they would yell and complain, "Why did you give me this?" I would say, "This is the way it is, boys, I'm the boss." Now, since we went to grid last year, there's no such happening. Perhaps we've got to reduce our margin in meat. We know we've got to make it up somewhere else. The group comes to a decision. This year it took us an hour-and-a-half to set our budget. Before grid, we were in there for eight solid hours' table-pounding. But now we were committed [One marketing manager put it this way,] I never realized our department could really work as a team. Phase I of the grid was great, but it really took Phase 2 to bring it all out. Sure, I was apprehensive at first, all the guys were, but when it came right down to it, we were able to work together, solve problems, open up and really communicate with each other. It wasn't what you would call an easy experience, but it was certainly worthwhile (Ibid; p.251).

Phase-3 - Intergroup Harmony

The need for Phase 3 development comes about because, when each department or unit has a singular responsibility, corporate members of departments or divisions tend to think more about their components and less about the whole. According to Blake & Mouton, such units may act and react more in the interest of their departmentalized unit than in the interest of the entire organization. Intergroup attitudes are easily provoked and, once formed, easily inflamed into winlose power struggles. When this happens, needed cooperation is sacrificed, information is withheld, requests are received as unreasonable demands (Ibid; p.53).

The beginning of intergroup development between any two conflicting groups is devoted to establishing a positive climate and gaining understanding of lack of cooperation, its causes, and barriers to resolution. Establishing objectives, working toward operational improvement, and designing plans for implementation and critique complete the design. Phase 3 is only participated in by those groups where actual barriers to effective cooperation between them exist. Activities in Phase 3 are specifically designed to achieve better intergroup problem solving through a closer integration between those units of organization that have working interrelationships. Through interaction and discussion between the two groups, areas of misunderstandings, tensions, conflict and so on can be brought into the open and talked through. Once negative feelings have been relieved, the way is then open for discussion, debate and resolution of concrete operational problems (Ibid; pp.265-288).

The following quotation from an organization executive who hired Blake & Mouton's consultancy, gives positive impact of Intergroup Development in resolving union-management chronic difficulties (Ibid; p.254).

The union-management Phase 3 has been in progress for eighteen months and has been very successful. Overall, these Phase 3 activities have served to develop trust and respect between the union and management participants and have provided an excellent forum for the candid discussion of problems. Many traditions have been broken down and a new culture has emerged. There are two particularly striking features to this new atmosphere. The greatest improvement has come in the area of listening and trying to understand the other side's viewpoint. Secondly, this and the very nature of the Blake operation (management presenting how it sees itself and how it sees the union on various elements, and the union presenting how it sees itself and management) have tended to make both sides more objectives. As a consequence, many of the flare-ups that occurred in the early stages are no longer happening.

That is not to say that both sides agree on everything by any means. However, where some disagreement does arise, it is approached rationally and there is a basic trust between the two groups that each is committed to finding a sound and acceptable solution.

Phase-4 - Designing Organization Goals

An evolved organization can exploit its potentials for excellence when it has a business model of what it wishes to become in comparison with what it currently is or historically has been. Phase 4, therefore, engages the top team in three step-by-step processes: (1) business logic study, (2) diagnosis, and (3) designing of an ideal corporate model. The first step is conceptual investigation of the most basic concepts of business logic currently available. Using agreed upon concepts of "pure" business logic, the next step is to specify the properties of a model to serve as a blueprint for how the corporation led by the top team is reconstructed. Phase-4 is completed when this strategic corporate model has been evaluated and agreed to by other senior executives, who have a corporate perspective but are not members of the top team, and approved as a stave for the future by the board of directors.

The objective of Phase-4 is to set up a model for an obtainable organization system for the future. The basic model may resemble the existing system in varying degrees, or it may differ from it. In either event, it is not viewed as fixed and unchanging but is subject to modification or redefinition as changes occur. Blake & Mouton record the good impact of the exercise of designing an ideal strategic model, by reproducing the words of a top management person, who declared:

Here there is a widespread conviction that the strategic insights that occurred during Phase 4 have been beneficial and have served to start the corporation moving in the right direction. The Phase 4 team at first reached agreement on details of what actually exists in the present organization model. That is, the team developed a clear picture of management, with no rationalizations, excuses or apologies; they developed simple, concise statements that picture the ideal model today. Then, using the same format, they developed statements as to how a hypothetical ideal would operate. This ideal model served to focus attention on needed changes in policy (Ibid; p.256).

The major contribution of Phase 4 is in terms of making a start on the fifth phase: defining unresolved problems preventing attainment of organization competence and designing solutions to them. Some steps of progress toward their elimination also occur in the fourth phase, but concerted effort on the problem-solving plan takes place in Phase 5.

Phase-5 - Implementing Planned Goals

Changing the organization from what it is to what it should be takes place in a series of steps (Ibid; p.258). They begin with analyzing and subdividing the company into its smallest components. The mark of a smallest component is a grouping of interrelated activities that are tied together because they all are essential factors in producing a recognizable source of earnings. The company may be subdivided into many such units. The next step is to identify all the expenses entailed in engaging in these activities. A third step is to compute the investment related to these activities that is tied up in plant, equipment, etc.

Once these steps have been taken, it becomes possible to evaluate whether or not the business identified by that component meets the business specifications of the ideal strategic corporate model. Test questions such as the following are answered with regard to each of these components:

- Is the return currently realized on this investment consistent with the ideal strategic model? If not, are there controllable expenses or pricing factors which could be altered to bring it within specified return on investment standards?
- Is this area of business activity consistent with market areas identified within the ideal strategic model as areas for future growth?
- These test questions are typical of the many that are employed to decide whether each activity that leads to earnings should be expanded, contracted, changed, or eliminated in pursuing corporate development (Ibid.).

Impact of Implementing Development Goals

An organization member who was intimately involved in his company's implementation project done with consultancy from Blake & Mouton, thus summarized his views (Ibid; p.259) Once we could specify how we needed to change to meet the Ideal Strategic Model we were in the management-by-objectives business in a way that wasn't limited by blind acceptance of the status quo. Some of the specific things we learned included:

- 1. How to approach the business in a scientific way to analyze and evaluate variables selectively?
- **2.** Taking corporate perspective as opposed to previous functional or departmental view.
- **3.** Looking at existing business more critically, growing more and more displeased with current efforts.
- **4.** Gaining a new perspective of the role of planning in effective management.
- **5.** Focusing on results expected by using return on assets as the basis for business decisions in comparison with conventional profit and loss and share of market thinking.
- **6.** Grasping the deeper implications of effective teamwork for increasing the soundness of an implementation plan.
- **7.** Developing more basic insight into the dynamics of resistance to change.

Phase-6 - Consolidation

In the view of Blake & Mouton, three features of business life suggest the importance of a consolidating phase in organization development:

- (i) Managing change is the opposite of managing the tried and true. People tend to repeat the tried and true, but people may lose interest in something that is novel as they become more familiar with it. Reduced effort in making the novel work as it was intended may cause it to fail. Phase 6 activities help to identify these drag factors.
- (ii) A reason for a period of time to consolidate progress is that by continuing study of what is new, additional improvement opportunities may be identified that can add to the organizational thrust.
- (iii) Significant alterations in the outer environment may occur to cause changes specified in the model and implemented in Phase 5 to be more or less favorable than had been anticipated. In either case the monitoring activities of Phase 6 provide a basis for specifying the potential needs for additional change.

Phase 6 strategies and instruments enable an organization to assess its strengths and to consolidate its gains. This is done by organization members' identifying drag factors that may have cropped up and that need to be eliminated to counter their adverse effects. The same is for thrust factors.

These may be needed to be stressed in order to gain the full potential of OD. The significant aspect of Phase 6 is that the consolidation phase is made explicit rather than assuming that once change has been set in motion, it will persist of its own momentum.

Blake & Mouton created a consultancy firm, namely the Scientific Methods, Inc. They followed training methods involving the six phases described above.

Conclusion

Grid Organization Development presents a structured and theory-based approach to enhancing organizational effectiveness by fostering a culture of continuous improvement and sound leadership. By prioritizing both people and production, the Managerial Grid serves as a comprehensive tool for leadership development. The six-phase training model ensures a systematic transformation at individual, team, and organizational levels, enabling sustainable growth and improved workplace dynamics. Blake and Mouton's research highlights the effectiveness of Grid OD in enhancing team cohesion, reducing interpersonal friction, and boosting corporate profitability. While some critics advocate for situational flexibility, the Grid OD approach offers a scientifically tested and widely applicable framework for organizational excellence. As businesses continue to face evolving challenges in a dynamic global environment, adopting a structured OD approach such as Grid OD can provide organizations with a robust foundation for long-term success.

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