

## PRIORITIZATION OF ORGANIZATION DEVELOPMENT INTERVENTIONS IN F&B SMES OF TEHRAN FROM MANAGERS' PERSPECTIVE

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### ABSTRACT

*Small and medium enterprises (SMEs) have important role in countries' development. Therefore, Organization development in SMEs can have a critical effect on national efficiency. On the other hand, due to their high resistance to change, it is required to identify the mental priorities of managers in order to path the way to changes.*

*The research methodology is descriptive-field study with the aim of describing the conditions of elements under study. The research tool is questionnaire. The universe is F&B SMEs of Tehran, and random sampling is used. The questionnaire is personally distributed and collected. That was analyzed method based on Cronbach's alpha coefficient test for reliability,  $\chi^2$  test for significant of questions and Friedman test for defining the priority of Organization development programs. The results show that managers' prefer mediation of a third party to other options, and due to their non-tendency towards 'MBO', they give high priority to team making.*

**Keywords:** Organization Development, SMEs, Organization Development Interventions.

### INTRODUCTION

The influence of small and medium enterprises (SMEs) on the development of different countries around the globe is highly felt. According to the latest data 75% of 3.4 million new jobs are created by SMEs (Kats and Green, 2011). Considering the economic changes in the world, organizational change and development are inevitable. The most important factor in long-term survival of organizations and their success is their human resource management (Moorhead and Griffin, 2012). Organizational development can lead managers of SMEs in implementing changes more efficiently and effectively.

In Iranian organizations, employees are not willing to accept changes and they often resist them (Nikookar et al, 2010). For this reason using interventions is very beneficial. Organizational development interventions are some planned activities in selected organization segments (individuals or groups) that are used for personal or organizational development (French and Bell, 2007). In this research, an attempt was made to identify the importance of using these interventions in SMEs of Iran.

### RESEARCH PROBLEM AND SIGNIFICANCE

SMEs are the key factors in every economy as they provide a particular environment for fulfilling potentials (Kats and Green, 2011). Organizational development interventions has been and are used in large enterprises, however, insufficient attention has been paid to these interventions in SMEs. In this research an effort has been made to identify the level of managers'

awareness and prioritization of organization development interventions at individual, group and organizational levels.

The literature review showed a lack of study in this area on SMEs. Hence, the need for this study was realized as employing organizational development interventions are cost-effective and easily trained and implemented. In addition, managers need to update their knowledge. On the other hand, the necessity of organizational development consultants' attention to prioritization of interventions by SMEs managers was felt by the researcher. The consultants can have a better vision of the interventions they employ in SMEs if they are well aware of managers' prioritization of interventions.

## OBJECTIVES

Considering the above-mentioned points, the main objective of this research is to prioritize the organizational development interventions. The other objectives of the study are:

1. Identifying managers' level of knowledge about organizational development interventions in F & B SMEs of Tehran.
2. Identifying managers' viewpoints on the effectiveness of each organizational development intervention in F & B SMEs of Tehran.

## METHODOLOGY

This is a filed descriptive research. The population comprises managers of F & B SMEs of Tehran i.e. 1058 managers according to the data given by Ministry of Industries and Mines on food and beverage industries. Random sampling was used and 196 samples were selected.

The data was analyzed using inferential statistical methods. Non-parametric methods were used for managers' prioritization of organizational development interventions. Among non-parametric methods, Friedman test method was used for ranking and prioritizing interventions.

## DISCUSSION

Organizational development is systematic application of behavioral sciences for planned development and strengthening and emphasizing on organizational strategies, structures and processes in order to improve effectiveness (Cummings, 2009).

Reforming organizational development interventions refers to organized activities of participants and consultants who participate in an organizational program. These activities are designed to improve organizational functions through assistance to organization members in more effective management of processes and organizational culture. Interventions are the tools of development (French and Bell, 2007). Another definition of interventions is: a group of planned activities that are taken in order to help organizations in improving their effectiveness that includes quality of work life and efficiency (Cummings, 2009). According to the model given by French and Bell the organizational development interventions are classified into these levels: development plans for the improvement of effectiveness of individuals', groups of 2-3 persons, bigger groups and teams, intergroup interactions, and organization (French and Bell, 2007).

In this research effectiveness is studies bases on managers' experiences due to financial and time limitations. The interventions studied by French and Bell include: life and career planning, behavioral modeling, work redesign, third party peace-making, role negotiation, team building, management by objective, designing future vision, quality of work life, quality circles,

organizational mirroring, survey feedback, physical work environment, parallel learning structures, strategic management activity, total quality management, and reengineering.

According to statistical analysis, the mod And medium showed that majority of samples were not ever of Life and Career Planning, behavior modeling, Work redesign, Role negotiation, team building, quality of work life, quality circles, survey feedback and parallel learning structure. On the contrary they were ever of third party peace-making, management by objective, designing future vision, organizational mirroring, physical work environment, strategic management activity, total quality management and re-engineering.

The difference of statistical information is little between familiar and unfamiliar samples with work redesign, team building, life career planning, survey feedback and parallel learning structure. On the contrary the difference of statistical information is reasonable between familiar and unfamiliar samples with third party peace-making, organizational mirroring, physical work environment and total quality management.

The  $x^2$  test showed that the results of work redesign, team building, quality of work life, survey feedback, parallel learning structure, third party peace-making, organizational mirroring, physical work environment and total quality management are significant and the results are proved at a level of 95% confidence. But in other cases the results could not be proved at a level of 95% confidence, in other hand the results of other cases are not significant.

**Table1. prioritization of organizational development interventions effectiveness**

Intervention	Average point
Third party peace-making	14.5
Team building	13.25
Quality of work life	12.00
Physical work environment	12.00
Organizational mirroring	11.00
Parallel learning structure	11.00
Total quality management	10.25
Work redesign	10.00
Behavior modeling	10.00
Survey feedback	8.5
MBO	8.25
Strategic management activity	8.00
Role negotiation	7.00
Designing future vision	6.00
Life and Career Planning	3.75
Quality circles	3.75
Reengineering	3.75

About 55% of samples were a little familiar with organizational development interventions while only 30% of them were familiar with these interventions.

According to results of statistical analysis, the mod and medium showed that the managers believe that interventions of work redesign, team building and quality of work life are highly effective, the effectiveness of physical work environment, organizational mirroring, parallel

learning structure, total quality management, work redesign, behavior modeling and survey feedback is normal and the effectiveness of MBO, strategic management activity, role negotiation, quality circles and reengineering is less than normal.

But according to  $X^2$  test, only the results of the intervention of third party peace-making, role negotiation, team building, MBO, designing future vision, quality circles, organizational mirroring, physical work environment, strategic management activity, total quality management, team building and quality of work life are significant and the results are proved at a level of 95% confidence. In other hand the results of other cases are not significant.

According to freedman test, organizational development interventions effectiveness can be prioritize as shown in table 1

According to  $X^2$  test, This result is significant and that is proved at a level of 95% confidence.

### CONCLUSIONS

Based on the results given above, it can be concluded that third party peace-making, team building and quality of work life are the most effective interventions, according to managers. It is worth mentioning that the researcher has used observation for collecting data, through the study and while distributing the questionnaires. The data collected by observation is used for making conclusions.

**Table2: OD interventions’ effectiveness & managers’ awareness situation**

Interventions	Average point	effectiveness	Awareness
Third party peace-making	14.5	Extensive	Extensive
Team building	13.25	High	Normal
Quality of work life	12.00	Extensive	Low
Physical work environment	12.00	High	Extensive
Organizational mirroring	11.00	Normal	Normal
Parallel learning structure	11.00	High	Normal
Total quality management	10.25	High	High
Work redesign	10.00	Extensive	Low
Behavior modeling	10.00	Normal	High
Survey feedback	8.5	High	Low
MBO	8.25	Normal	Normal
Strategic management activity	8.00	High	Low
Role negotiation	7.00	High	Normal
Designing future vision	6.00	Normal	Normal
Life and Career Planning	3.75	Normal	Normal
Quality circles	3.75	Normal	Normal
Reengineering	3.75	Low	Low

The first prioritization is given to interventions in groups of 2-3 persons. The other priorities are interventions in intergroup interactions, organization, bigger groups and teams and individuals respectively. There is a need for a stable situation for strategic management activities as well as designing future vision. As the macro economic conditions are not stable in Iran and also the

industries are not supported by government (especially SMEs), managers are not practically able to take strategic activities and to design future vision. On the other hand, lack of planning and long-term goal making training in educational system of Iran can be considered as effective factors. Unstable and unpredictable conditions lead managers to making short-term goals and plans. Hence, implementing such programs in SMEs requires governmental support and providing stable economic conditions and markets.

## RECOMMENDATIONS

The researcher recommends policies for supporting SMEs in order to improve national effectiveness.

The study showed that managers have limited knowledge of organizational development interventions. Therefore, providing some training courses like TQM and EFQM for managers are recommended. In addition, the researcher recommends development of some practical methods for enhancement of organizational effectiveness in SMEs.

The researcher faced different limitations. The population was planned to consist of consultants as well, but since SMEs do not usually take consultancy service, the researcher had to take only managers as the population. The available data on this topic was limited; therefore, the results of this research can serve as a basis for further studies. Further researches may include case studies on each intervention based on which the effectiveness and quality of interventions can be studied in-dept. In addition, this study can also been undertaken based on employees' perspectives.

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