
UNIT 1 DEFINITION AND INTRODUCTION TO ORGANISATIONAL DEVELOPMENT

Structure

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1.0 INTRODUCTION

Organisation is a framework in which the human resources function and thus has a major influence on it. Organisational development can also be termed as the modern approach to management of change for human resources development. The development of an organisation thus is a key issue for the overall development of the human resource and to enhance the goal achievement and profitability of an organisation.

Organisational development can be described as a long range effort to improve organisation's problem solving and renewal processes, particularly through more effective and collaborative management of organisational culture, often with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioural science. We thus need to focus on this very significant issue in order to not only understand the concept of organisational development, but also learn its significance in an organisational setup.

In the present unit you will be able to understand the concept of organisation and then focus on the meaning and importance of organisational development. The unit will also cover goals of organisational development. It will distinguish between organisational development and organisational change and will highlight the concept of organisational culture that is an important factor in the organisational development.

1.1 OBJECTIVES

After reading this unit, you will be able to:

- Explain the meaning of organisational development;
- Discuss goals of organisational development;
- Distinguish between organisational development and organisational culture; and
- Describe organisation culture.

1.2 ORGANISATIONAL DEVELOPMENT

Let us now try to understand the meaning of organisational development by first clarifying the concept of an organisation. Organisation is the core concept of organisational development. Organisation can be defined as two or more people working together toward one or more shared goal(s). Weisbord presents a six-step model for understanding organisations:

- 1) **Purposes:** The organisation members are clear about the organisation's mission and purpose and goal agreements, whether people support the organisation's purpose.
- 2) **Structure:** How do we divide up the work? The question is whether there is an adequate fit between the purpose and the internal structure.
- 3) **Relationship:** Between individual, between units or department that perform different tasks, and between the people and requirements of their job.
- 4) **Rewards:** The consultant should diagnose the similarities between what the organisation formally reward or punished for doing.
- 5) **Leadership:** Is to watch for blips among the other boxes and maintain balance among them
- 6) **Helpful mechanism:** Is a helpful organisation that must attend to in order to survive which as planning, control, budgeting, and other information systems that help organisation member accomplish.

Development in this context is the notion that an organisation may become more effective over time at achieving its goals.

Organisational Development can be described as the systematic process to change the culture, system and behaviour of organisation. It is process that helps in solving organisational problems and achieving organisational objectives. It works as important mechanism that helps in impressing the organisation and its employee through planned and established system. It concentrates on people dimensions like norms, values, attitudes, relationships, organisational culture etc. The strategies of organisational development focus on enhancement of organisation effectiveness and solving organisational problems. It includes structural and technological changes and focuses on working relationships of employees with the organisation.

Warren Bennis has referred to organisational development as a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organisation so that they can better adapt to new technologies,

marketing and challenges, and the dizzying rate of change itself. Organisational development is neither “anything done to better an organisation” nor is it “the training function of the organisation”; it is a particular kind of change process designed to bring about a particular kind of end result. Organisational development can involve interventions in the organisation’s “processes,” using behavioural science knowledge as well as organisational reflection, system improvement, planning, and self-analysis.

Organisation Development (OD) is the process of improving organisations. The process is carefully planned and implemented to benefit the organisation, its employees and its stakeholders. The client organisation may be an entire company, public agency, non profit organisation, volunteer group or a smaller part of a larger organisation.

The change process supports improvement of the organisation or group as a whole. The client and consultant work together to gather data, define issues and determine a suitable course of action. The organisation is assessed to create an understanding of the current situation and to identify opportunities for change that will meet business objectives.

OD differs from traditional consulting because client involvement is encouraged throughout the entire process. The ways in which people communicate and work together are addressed concurrently with technical or procedural issues that need resolution.

Organisational development (OD) can play a vital part in harnessing the collective talent of an organisation, bringing about change and improving performance. It involves taking planned steps to create an environment that will enable the staff to understand and deliver the organisation’s objectives.

These steps include developing appropriate skills, behaviours and attitudes, culture and a style of leadership that will enable the organisation to achieve optimum performance.

A clear sense of direction, strong leadership and a focus on people management issues including the management of performance and the promotion of learning, development, creativity and innovation are essential.

For organisational development to deliver significant performance improvement, there is a need to develop staff with the right skills to help champion OD throughout the organisation and encourage wide participation and ownership of the continuous improvement process among staff and other stakeholders.

The term organisational development is often used interchangeably with organisational effectiveness, especially when used as the name of a department within an organisation. An organisation is the machinery of management and this machinery system is operated and maintained by the personnel of the organisation. An organisation must adapt itself to the changes taking place in its environment or else, it will not remain effective enough to achieve the corporation’s goal of profitability. Organisational development is a shared approach of its members and it values a participative- democratic style of working. It is an ongoing interactive process and it focuses on intact work teams.

Self Assessment Questions

1) Describe organisational development.

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2) What are the main functions of OD?

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3) Describe the six step model of understanding organisation developed by Weisboard.

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4) Explain the concept of organisational development as described as Warren Bennis.

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1.3 DEFINITIONS OF ORGANISATIONAL DEVELOPMENT

We will now focus on some more definitions of organisational development. The definitions of organisational development can be classified in to two categories, the old definition and new definition.

1.3.1 Old Definition of Organisational Development

The nature and needs of organisations are changing dramatically. Correspondingly, the profession of organisational development has been changing to meet the changing needs of organisations. Therefore, it may be most useful to consider several definitions of organisational development.

For many years, the following definition was perhaps the standard definition for organisational development. The following definition was developed in 1969 at a time when an organisation was considered to be much like a stable machine comprised of interlocking parts.

“Organisational development is an effort planned, organisation-wide, and managed from the top, to increase organisation effectiveness and health through planned interventions in the organisation’s ‘processes,’ using behavioural-science knowledge” (Beckhard, 1969).

1.3.2 New Definitions of Organisational Development

“Organisational development is the attempt to influence the members of an organisation to expand their candidness with each other about their views of the organisation and their experience in it, and to take greater responsibility for their own actions as organisation members. The assumption behind this phenomena is that when people pursue both of these objectives simultaneously, they are likely to discover new ways of working together that they experience as more effective for achieving their own and their shared organisational goals and that when this does not happen, such activity helps them to understand why and to make meaningful choices about what to do in light of this understanding.” (Neilsen, 1984)

Experts might agree that the following definitions of organisational development represent the major focus and thrust of many of today’s organisational development practitioners:

“Organisational development is a system-wide application of behavioural science knowledge to the planned development and reinforcement of organisational strategies, structures, and processes for improving an organisation’s effectiveness.”(Cummings and Worley) “Organisational development is a body of knowledge and practice that enhances organisational performance and individual development, viewing the organisation as a complex system of systems that exist within a larger system, each of which has its own attributes and degrees of alignment. Organisational development interventions in these systems are inclusive methodologies and approaches to strategic planning, organisation design, leadership development, change management, performance management, coaching, diversity, and work/life balance.” (Matt Minahan, MM & Associates, Silver Spring, Maryland).

“Cummings and Worley (2002) defined organisational development as “a system wide application of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structures and processes that lead to organisation effectiveness”. This definition emphasises several features that differentiate organisational development from other approaches to organisational change and improvement, such as management consulting, technological innovation, operations management, and training and development.

We have already discussed about the old and new definitions of organisational development. Now we will discuss five important factors that need to be highlighted while defining organisational development. These factors are as follows:

- i) **It is planned change effort:** An organisational development programme involves a systematic diagnosis of the organisation, the development of a strategic plan for improvement, and the mobilisation of resources to carry out the effort.
- ii) **It involves the total system:** It is related to the change system of the organisation such as a culture change and the changes in the rewards system. There may be tactical efforts which work with subparts of the organisation but the system to be change is total, relatively autonomous organisation.

- iii) **It is managed from the top:** The top management of the system has a personal investment in the program and its outcomes. They actively participate in the management of the effort.
- iv) **It is designed to increased organisation effectiveness and health:** The total organisation, the significant subparts, and individuals, manage their work against goals and plans for achievement of these goals. Miles et al. (1966) define the healthy organisation in three board areas- those concerned with task accomplishment, those concerned with internal integration, and those involving mutual adaptation of the organisation and its environment.
- v) **Organisational development achieves its goals through planned interventions using behaviour science knowledge:** A strategy is developed of intervening or moving into the existing organisation and helping its present ways of work, norms, and values, and look at alternative ways of working, or relating, or rewarding. The interventions used draw on the knowledge and technology of the behavioural sciences about such processes as individual motivation power, communications, perception, culture norms, problem- solving, goal setting, interpersonal relationships, intergroup relationships and conflict management.

Self Assessment Exercises

- 1) Discuss any two definitions of organisational development.

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- 2) Describe factors that need to be highlighted while defining organisational development.

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- 3) How does OD achieve its goals?

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1.4 GOALS OF ORGANISATIONAL DEVELOPMENT

Organisational development has various goals, they are discussed as follows:

- i) **Create an open and problem solving atmosphere in the organisation:**
An open and problem solving atmosphere in an organisation will not only

facilitate the overall functioning in the organisation but will also promote employee satisfaction and motivation.

- ii) **The authority should be associated with their role, status, knowledge and competence:** This goal will help develop a positive relationship between superiors and subordinates, thus creating a conducive environment in the organisation.
- iii) **Decision making and sources of information should be clear:** This goal will help employees have a clear idea about the functioning of the organisation, about various opportunities for career development and issues and problems existing in the organisation. This will not only make employees more aware but will also promote organisational citizenship amongst the employees.
- iv) **Build trust and values amongst employees throughout the organisation:** This will not only enhance the interpersonal relationship and communication amongst the employees but will lead to development of a positive organisational culture.
- v) **Create healthy competitive atmosphere amongst the employees to maximize collaborative efforts:** Creating and maintaining healthy competition amongst the employees not only promotes team work but will also enhance the overall functioning of the organisation.
- vi) **Develop a reward or promotion system to motivate the personnel and increase the performance:** This is one of the most relevant goals of organisational development as employee performance is key to organisational development and in order to promote maximum performance on the part of the employees, it is important to use varied motivational techniques.
- vii) **Improve the effectiveness of the organisation:** Another important goal of organisational development is to use varied techniques and promote organisational effectiveness.
- viii) **Enhance achievement of the organisational goals:** Various techniques under organisational development can be used to help enhance the achievement of organisational goals.

Self Assessment Questions

1) Discuss any two goals of organisational development.

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2) Describe the most important goal of organisational development according to you. Give reason.

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1.5 IMPORTANCE OF ORGANISATIONAL DEVELOPMENT

Profitability, productivity, morale and quality of work life are of concern to most organisations because they impact achievement of organisation goals. There is an increasing trend to maximize an organisation's investment in its employees. Jobs that previously required physical dexterity now require more mental effort. Organisations need to "work smarter" and apply creative ideas.

The work force has also changed. Employees expect more from a day's work than simply a day's pay. They want challenge, recognition a sense of accomplishment, worthwhile tasks and meaningful relationships with their managers and co-workers. When these needs are not met, performance declines.

Today's customers demand continually improving quality, rapid product or service delivery; fast turn around time on changes, competitive pricing and other features that are best achieved in complex environments by innovative organisational practices.

The effective organisation must be able to meet today's and tomorrow's challenges. Adaptability and responsiveness are essential to survive and thrive.

Functions of OD Consultants

OD consultants custom tailor established social science theory and methods to organisations seeking to improve profitability, productivity, morale and/or quality of work life. Examples of activities which are facilitated by OD consultants are:

- 1) Team building
- 2) Goal Setting
- 3) Group Facilitation
- 4) Creative Problem solving
- 5) Strategic Planning
- 6) Leadership Development
- 7) Management Development
- 8) Career Management
- 9) Conflict Resolution
- 10) Developmental Education
- 11) Interpersonal Communication
- 12) Human Resources Management
- 13) Managing Workforce Diversity
- 14) Organisation Restructuring
- 15) High Involvement Work Teams
- 16) Socio technical Systems Design

17) Technical Training

18) Total Quality Management

Often described as “change agents,” OD consultants come from varied backgrounds with experience and training in organisation development, organisation behaviour, psychology, education, management and/or human resources. Many have advanced degrees and most have experience in a variety of organisational settings.

There are both internal and external OD consultants. An internal OD consultant is a full-time employee with a given organisation. External consultants may be self-employed or on the staff of a consulting firm. “Externals” work with one or more clients contracting for specific projects.

Organisation Development (OD) consultants provide services to improve organisation effectiveness and/or individual employee effectiveness. The purposes are to increase productivity, work satisfaction and profit for the client company.

Organisation Effectiveness

Consultants apply organisation effectiveness strategies such as those shown below when there are needs for assessment, planning, growth, quality improvement, teamwork and other organisational changes.

- 1) **Action Research** : An assessment and problem solving process aimed at improved effectiveness for the entire organisation or specific work units. The consultant helps the client organisation identify the strengths and weaknesses of organisation and management issues and works with the client in addressing problem opportunities. (Some form of action research is generally applied as a foundation for other consulting strategies.)
- 2) **Conflict Management** : Bringing conflicts to the surface to discover their roots, developing a common ground from which to resolve or better manage conflict. Consultants serve as facilitator in a conflict situation or train employees to better understand and manage conflict.
- 3) **Executive Development** : One-on-one or group developmental consultation with CEO's or VP's to improve their effectiveness.
- 4) **Goal Setting** : Defining and applying concrete goals as a road map to help an organisation get where it wants to go. (Can also be applied to employee development.)
- 5) **Group Facilitation** : Helping people learn to interact more effectively at meetings and to apply group guidelines that foster open communication, participation and accomplishment.
- 6) **Managing Resistance to Change** : Helping clients identify, understand, and begin to manage their resistance to planned organisational change.
- 7) **Organisational Restructuring** : Changing departmental and/or individual reporting structures, identifying roles and responsibilities, redesigning job functions to assure that the way work gets done in the organisation produces excellence in production and service.
- 8) **Project Management** : The general management of specific work blending diverse functions and skills, usually for a fixed time and aimed at reaching defined outcomes.

- 9) **Self-Directed Work Teams** : Developing work groups to be fully responsible for creating a well defined segment of finished work.
- 10) **Socio technical Systems Design** : Designing and managing organisations to emphasise the relationship between people's performance, the workplace environment and the technology used to produce goods and services in order to effect high level productivity.
- 11) **Strategic Planning** : A dynamic process which defines the organisation's mission and vision, sets goals and develops action steps to help an organisation focus its present and future resources toward fulfilling its vision.
- 12) **Teambuilding** : Improving how well organisation members help one another in activities where they must interact.
- 13) **Total Quality Management** : Through work process analysis, teambuilding, defining quality and setting measurable standards, the consultant assists the organisation in becoming more cost effective, approach zero-defects and be more market-driven

1.6 ORGANISATIONAL DEVELOPMENT AND ORGANISATIONAL CHANGE

Since now we have a clear idea about the meaning of organisational development. Let us now distinguish it from organisational change. Organisational change is equally significant area that needs to be focused on in an organisational set up. Though both the terms seem to be similar, they are different to a greater extent. This distinction will be clear with the help of following points

Organisational development applies to the strategy, structure, and processes of an entire system, such as an organisation, a single plant of a multiplant firm, or a department or work group. A change program on the other hand aims at modifying an organisation's strategy, for example, it might focus on how the organisation relates to a wider environment and on how those relationships can be improved. It might include changes both in the grouping of people to perform tasks (structure) and in methods of communicating and solving problems (process) to support the changes in strategy.

Similarly, an organisational development program directed at helping a top-management team become more effective might focus on interactions and problem-solving processes within the group. This focus might result in the improved ability of top management to solve company problems in strategy and structure. This contrasts with approaches, focusing on one or only a few aspects of a system, such as training and development, technological innovation, or operations management. In these approaches, attention is narrowed to individuals within a system, to improvement of particular products or processes or to development of production or service delivery functions.

Organisational development is based on behavioural science knowledge and practice, including micro concepts such as leadership, group dynamics, and work design, and macro approaches such as strategy, organisation design, and international relations. These subjects distinguish organisational development from such applications as management consulting, technological innovation, or operations management that emphasise the economic, financial, and technical aspects of

organisations. These approaches tend to neglect the personal and social characteristics of a system.

Organisational development is concerned with managing planned change, but not in the formal sense typically associated with management consulting or technological innovation, which tend to be programmatic and expert-driven approaches to change, rather, organisational development is more an adaptive process for planning and implementing change than a blueprint for how things should be done. It involves planning to diagnose and solve organisational problems, but such plans are flexible and often revised as new information is gathered about the progress of the change program. If, for example, there was concern about the performance of a set of international subsidiaries, a reorganisation process might begin with plans to assess the current relationships between the international divisions and the corporate headquarters and to redesign them if necessary. These plans would be modified if the assessment discovered that most of the senior management teams were not given adequate cross-cultural training prior to their international assignments.

Organisational development involves both the creation and the subsequent reinforcement of change. It moves beyond the initial efforts to implement a change program to a longer-term concern for stabilizing and institutionalising new activities within the organisation. For example, the implementation of self-managed work teams might focus on ways in which supervisors could give workers more control over work methods. After workers had more control, attention would shift to ensuring that supervisors continued to provide that freedom. That assurance might include rewarding supervisors for managing in a participative style. This attention to reinforcement is similar to training and development approaches that address maintenance of new skills or behaviours, but it differs from other change perspectives that do not address how a change can be institutionalised.

Organisational development is oriented to improving organisational effectiveness. This involves two major assumptions. First, an effective organisation is able to solve its own problems and focus its attention and resources on achieving key goals. Organisational development helps organisation members gain the skills and knowledge necessary to conduct these activities by involving them in the process. Second, an effective organisation has both high performances, including financial returns, quality of work life. The organisation's performance responds to the needs of external groups, such as stockholders, customers, suppliers, and government agencies that provide the organisation with resources and legitimacy. Moreover, it is able to attract and motivate effective employees, who then perform at high levels. Other forms of organisation change clearly differ from organisational development in their focus. Management consulting, for example, is almost solely concerned with financial performance, whereas training and development addresses individual effectiveness.

Organisational Change

Organisational change is defined as change that has significant effects on the way work is performed by the staff of an organisation. Organisational change may be apparent when there is a gap between how the work area is operating and how it should be operating to ensure successful future growth.

The organisation places high importance on ensuring that organisational change, when required, is implemented in a timely and professional manner. A key reference in the organisational Operational Priorities Plan identifies the operational objective,

viz., to retain the best-quality staff. This objective is one of the goals of an effective organisational change process.

The organisation considers that where organisational change is implemented correctly the benefits include:

- employee participation
- a greater understanding of the change
- a better informed decision is made
- trust is maintained throughout the process
- loss of productivity is minimised.

It is imperative that the work area understands that organisational change is about allowing employees to influence the decision maker through a consultative process.

Significant organisational change occurs, for example, when an organisation changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates. It also occurs when an organisation evolves through various life cycles, just like people must successfully evolve through life cycles. For organisations to develop, they often must undergo significant change at various points in their development. That's why the topic of organisational change and development has become widespread in communications about business, organisations, leadership and management.

Leaders and managers continually make efforts to accomplish successful and significant change. It is inherent in their jobs. Some are very good at this effort while others continually struggle and fail. That is often the difference between people who thrive in their roles and those that change from job to job, ultimately settling into a role where they are frustrated and ineffective. There are many schools with educational programs about organisations, business, leadership and management. Unfortunately, there still are not enough schools with programs about how to analyse organisations, identify critically important priorities to address (such as systemic problems or exciting visions for change) and then undertake successful and significant change to address those priorities.

Organisational change is undertaken to improve the performance of the organisation or a part of the organisation, for example, a process or team. Organisational performance involves the recurring activities to establish organisational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. Those recurring activities are much of what leaders and managers inherently do in their organisations.

Managing change and management are important. Today, teams and organisations face rapid change like never before. Globalisation has increased the markets and opportunities for more growth and revenue. However, increasingly diverse markets have a wide variety of needs and expectations that must be understood if they are to become strong customers and collaborators. Thus, the ability to manage change, while continuing to meet the needs of stakeholders, is a very important skill required by today's leaders and managers

Self Assessment Questions

1) Differentiate organisational development from organisational change.

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2) What is organisational change?

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3) Why is organisational change and change management are important?

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4) State any two ways in which organisational development is different from organisational development.

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1.7 ORGANISATIONAL CULTURE

Organisation culture is the important factor in any organisational development. A good culture of the organisation makes the organisation effective and successful. A good culture is also contribute to implement the effective policy of an organisation. Organisation culture means the prevailing patterns of activities, interactions norms, sentiments, feelings, beliefs, attitudes, values, informal systems and products.

Organisational development efforts focuses on both the formal and the informal system. The initial intervention strategy is usually through the informal system in the sense that perceptions, attitudes and feelings are usually the first data to be confronted. Collaborative management of the culture underlies a participative or a shared kind of management, not of a hierarchically imposed kind, but a group culture which is accepted both by the subordinates as well as the formal leader. Work with team includes the subordinates and superior is the key factor of the organisation culture.

An organisation's culture determines the organisation behaviour. It is essential that

the organisation's culture supports behaviour appropriate for its goal attainment and vice-versa. Efforts to define, measure and change organisational culture have become more sophisticated. Schein in particular has written extensively about culture. He has devised intervention to help leaders and employees identify those cultural assumptions that will assist the organisation in training its goals and those that hinder goal attainment.

Making such distinctions is done through a joint exploration to identify sequentially the organisation's artifacts, such as office layout and status symbols; the values underlying these artifacts; and the assumptions behind those values. Others have helped organisations focus on culture through the use of questionnaires aimed at identifying actual and desired norms. Participants then make agreements about new norms and how to monitor and reinforce the changes.

In the last few years, the term organisational culture has gained popularity as means of understanding human systems. The organisational culture of an organisation, include the values, that may be stated and unstated values, expectations of the employees from the superiors, peers and the organisation as a whole, customs and rituals, stories and myths about the history of the group, communication pattern amongst the employees, organisational climate and metaphors and symbols, that may be unconscious but can be found embodied in other cultural elements.

Morgan proposes four essential strengths of the organisational culture approach. It focuses attention on the human side of organisational life, it makes clear the importance of creating appropriate systems of shared meaning to help people work together toward desired outcomes, it requires members—especially leaders—to acknowledge the impact of their behaviour on the organisation's culture and it encourages the view that the perceived relationship between an organisation and its environment is also affected by the organisation's basic assumptions.

Organisational culture plays an extremely important role in the process of organisational development. It is also initially important to assess organisational culture before initiating the process of organisational development, as organisational culture will provide the conducive environment necessary for the successful implementation of organisational development. Thus any organisational development practitioner should focus on organisational culture in a particular organisation, assess it, modify or change it if required before the necessary organisational development intervention is implemented.

Self Assessment Questions

- 1) Discuss the concept of organisational culture.

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1.8 LET US SUM UP

After reading this unit we can now summarize that the organisational development is a planned, organisation-wide effort to increase an organisation's effectiveness and viability. It is a system-wide application of behavioural science knowledge to

the planned development and reinforcement of organisational strategies, structures, and processes for improving an organisation's effectiveness.

In the unit we also discussed about the goals of organisational development that are of extreme importance in order to understand the relevance of organisational development. The difference between organisational development and organisational change was also highlighted in this unit.

We further discussed about the organisational culture, which means the prevailing patterns of activities, interactions norms, sentiments, feelings, beliefs, attitudes, values, informal systems and products. An organisation's culture determines the organisation behaviour. It is essential that the organisation's culture supports behaviours appropriate for its goal attainment and vice-versa. Thus we now have a clear understanding of the term organisational development and its relevance in an organisational setup.

1.9 UNIT END QUESTIONS

- 1) Explain the meaning of organisational development.
- 2) Highlight the five important factors in organisational development.
- 3) Elaborate the goals of organisational development.
- 4) Differentiate between organisational development and organisational change.
- 5) Describe how organisational culture is important factor in organisational development.

1.10 SUGGESTED READINGS

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UNIT 2 FOUNDATIONS OF ORGANISATIONAL DEVELOPMENT

Structure

- 2.0 Introduction
- 2.1 Objectives
- 2.2 Nature of Organisational Development
- 2.3 Characteristics of Organisational Development
 - 2.3.1 Organisational Development as Educational Strategy
 - 2.3.2 Focus on Real Problems
 - 2.3.3 The Organisational Development Practitioners
 - 2.3.4 Focus on Immediate or Existing Problem
 - 2.3.5 Organisational Development is a Dynamic Process
 - 2.3.6 Organisational Development is Action Based
 - 2.3.7 Organisational Development Works on Open and Adaptive System Concepts
- 2.4 Organisational Development Process
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- 2.5 Organisational Development Practitioners
- 2.6 Values
- 2.7 Organisational Development and Organisational Effectiveness
- 2.8 Let Us Sum Up
- 2.9 Unit End Questions
- 2.10 Suggested Readings

2.0 INTRODUCTION

As you know in the recent years, organisational development has developed as one of the most significant developments in the field of organisational behaviour. Organisational development began to evolve as a distinct field of study in the 1940s when behavioural scientists in the US and Britain made efforts to resolve problems facing modern organisations. Organisational development has been defined in different ways by different behavioural scientists and applies the knowledge and practice of behavioural science to improve the effectiveness of organisations.

In the earlier unit we studied about the meaning and concept of organisational development. We also highlighted the goals of organisational development, how it is different from organisational change and further focused on organisational culture.

In this unit we will discuss about the foundations of organisational development. While discussing about foundations of organisational development, we will focus on nature and characteristics of organisational development. We will also explain

the concept of diagnosing organisations, process involved in organisational development and the role of organisational development practitioner. We will further discuss organisational effectiveness.

2.1 OBJECTIVES

After reading this unit, you will be able to:

- Discuss the nature of organisational development;
- Explain the characteristics of organisational development;
- Describe the process involved in organisational development;
- Analyse the role of organisational development practitioners;
- Explain the relevance of values in an organisational set up; and
- Discuss organisational effectiveness

2.2 NATURE OF ORGANISATIONAL DEVELOPMENT

The nature of organisational development can be described with the help of the following:

- 1) **Organisational development as-an ongoing interactive and continues process:** The ongoing process nature of organisational development implies that it is not to be regarded as a one-shot solution to organisational problems, but more as a growing toward greater effectiveness through a series of intervention activities over a time period. Managing and directing the change of an organisation's culture and process does not happen overnight, rather (a more realistic time estimate) it may take several years.

Understanding about organisational development is greatly facilitated by viewing it as an ongoing interactive process. A process is an identifiable flow of interrelated events moving over time toward some goal or end. The interrelated event consists of interventions in the client system as also responses to these interventions. It also includes the dynamic, moving and changing things, in which people can learn the new skills or revised the old ones.

Organisational development is a continuous process in the sense that, in organisational development how things are done is as much important as what is done. In order to solve problems and to create future problem solving capabilities we need organisational development or the self-renewing and culture managing capabilities among the organisational personnel.

- 2) **Organisational development as a form of applied behavioural science:** An organisational development program applies the scientific and practice principles from several behavioural sciences, social psychology, social anthropology, sociology, psychiatry, economic and political science. It can be define as the application of behaviour science knowledge, practices and skills on ongoing systems in collaboration with system members. Organisational development is both a result of applied behavioural science as well as a form of behavioural science.

3) **Organisational development as normative re-educative change:** It is a process for improvement organisational effectiveness; it implies that things will be done in a different style which requires usually changing its processes and culture. These types of organisational changes are desired by the people who will be affected, which open up alternatives for action rather than closing off alternatives for the same. Organisational development has three types of strategies for the organisation change i.e. empirical- rational strategy; normative strategy; and power-coercive strategy. Normative strategy is more popular in organisation settings and it can be cover other two types of strategies. This strategy is based on the assumption that norms form the basis for behaviour and change comes through a reeducation process in which outmoded norms are supplanted by new ones. Changes in normative orientations involve changes in attitudes, values, skills and significant relationships, not just changes in knowledge, information or intellectual rationales for action and practice. For example if we want to introduce the Wikipedia system in our organisation first of all we have to introduce and train to our employees and also to re-educate them about changing their existing norms and beliefs about computers that their application will not result in retrenchment of personnel or loss of jobs in the country.

4) **Organisational development includes the incorporating a systems approach to organisations:** The term 'system' may refer either an entire organisation or a sub-system such as an academic department or the group of teachers. The focus is always on improving both the ability of a system to cope and the relationships of the system with subsystems and with the environment. It is always noted that the systems approach is one for the foundations of an organisational development; a significant step was taken toward the invention of organisational development. Systems approach emphasises organisation phenomena and dynamics in their interaction. This is approach is useful to understanding of organisation.

Blake and Mouton (1976) address that organisational development is the development of overall system, not only of the one part of a system. It also indicates the progress of total organisation. The objective of organisational development is to liberate all of the individuals within it, so that they will be free, participative, and contributive to problem solving, in order to achieve corporate purposes of profitability, this objective cannot be reached until the constraints that operate within the corporation's culture have been studied and deliberately rejected.

5) **Organisational development is based on an action research (data based) model of planned changed:** The action based or data based research model is a significant facet in organisational development. Generally the nature of data based change activities in organisation setting are different from others data based or action based programmes. They can be different in the following way:

In the organisational development functioning, the value of data is more important, organisation personnel learn how to collect and save the data and they should have known the utilisation of data for problem solving in organisations.

In organisational developmentprogrammes data about the organisation's human and social processes would be used more than the data about processes like

data in technical production, financial and marketing areas of the organisation system.

In organisational development settings data collected is meant to be used by the personnel who collected the data, where as data is traditionally collected for the information of top management only. The purpose of the data collection is to make the improvement in organisation and make a plan for the future growth. This data based information also gives the spring board for the building of action plans.

Some are discrepancy data and some are contradictory. This type of data can be perceive as a suggestion rather than nuisances. They indicate directions in which the organisational development programme should proceed as also the differences which exist in the perceptions, motivations, attitudes etc; of the organisation personnel.

In organisational development system we must also measure the functionality and disfunctionality about the facts. For example how does an authority style help in solving problems and how much is it dysfunctional for the occurrence of the other results. That why in organisational development we see a shift from describing data to be used in organisational development for problem solving rather than as a tool for enforcement of certain behaviours and to that end a climate, or cultural pattern gets introduced in the organisation.

The strong data is a scientific way to collect the information. The decisions are made largely on the basis of empirical facts rather than on the basis of power, position, tradition, persuasion and precedent.

Data is an outcome of the needs and problems of the system members. This data itself will ultimately supply answers to the central needs of the organisation members.

- 6) **Organisational development goes as an experience based learning mode that emphasises goal setting and objectives:** The process of organisational development is based on experience and it emphasises that people learn about organisational dynamics by living with their experiences and skills.

In this system the personnel learn to make decisions by making decisions and then evaluating the same so that they may learn how to make adequate decisions in future. They can also learn to manage conflicts after experiencing the ill effects of conflicts and contra productive behaviours. Organisational development interventions tend to focus on real behaviour of individuals and groups, for solving real world problems and also tend to derive generalisations about organisations dynamics inductively from experience.

The persons to be involved in the organisation functioning first of all they should be involved themselves in an activity and then reflect on that experience to learn and to derive generalisations about the phenomena. In order that they may learn and improve the learning activity is essential, it also refers to an inquiry attitude which the individuals take into all their experiences. Therefore, experience based learning also becomes an important foundation of organisational development.

- 7) **Organisational development concentrates on intact work teams as the primary instruments for organisation's improvement:** These different

aspects of organisational development serve as foundations, characteristics, distinguishing features or theoretical and practice underpinnings upon which the process has been built and this foundation has played a significant contribution in shaping the practice of organisational development.

Now a days the organisational development is shifting its own area of attention from one person to intact work teams which is a move towards viewing organisations from a systems approach that had brought organisational development into limelight. The above different aspects of organisational development serve as the foundation upon which the process is built, and the foundation has played a significant role in shaping the practice of organisational development.

Self Assessment Questions

State whether the statements are True (T) or False (F).

- 1) Organisational development as a continuous and interactive process ().
- 2) Organisational development defines as an application of behaviour science ().
- 3) Organisational development has two types of strategies for the organisation change i.e empirical rational strategy and normative strategy ().
- 4) System approach emphasises organisation phenomena and dynamics in their interaction ().
- 5) Strong data is a scientific way to collect the information about organisation ().

2.3 CHARACTERISTICS OF ORGANISATIONAL DEVELOPMENT

We have so far discussed about the definition, goals and nature of organisational development. It is also important at this point to understand certain characteristics of organisational development as these characteristics reflect the relevance of the role and contributions of organisational development to overall enhancement of productivity in the organisation, increased profitability, and effective performance and higher satisfaction amongst the employees. The characteristics of organisational development are discussed as follows:

2.3.1 Organisational Development as Educational Strategy

Organisational Development is an educational strategy that attempts to bring about a planned change: Under organisational development varied strategies are utilised and a systematic procedure is followed in order to bring about the change. This ensures better implementation, minimizes errors and the expected outcome is positive.

2.3.2 Focus on Real Problems

Organisational Development relates to real organisational problems instead of

hypothetical cases: Since an elaborate process is involved in organisational development with a focus on diagnosis of what actually is going wrong in the organisation, it can be said that the organisational development focuses on real problems of organisations rather than hypothetical cases.

Organisational Development uses sensitivity training methods and lay emphasis on the significance of experiment based training: This characteristic is relevant in order to ensure effective learning of skills and behaviours amongst the employees at various hierarchical levels. Thus the use of sensitivity training and experiment based training is promoted under organisational development. Training and development is one of the important aspects under organisational development intervention.

The organisational development practitioners are often external consultants outside of the organisation: The change agents involved in the implementation of organisational development intervention may or may not be from within the organisation. Most often organisational development practitioners are external consultants.

An external consultant has better perception of the problems and constraints in the organisational structure and process and his/her perception is not biased. Further an employee has to play a role of change agent, he/she may be burdened with his/her own work activity, which may suffer as a result of the dual role played by the employees. Also his/ her perception may be biased.

However, a collaborative relationship is required between the organisational development practitioners and internal organisation executives establish a collaborative that involves mutual trust, influence and jointly determined goals. This will ensure smooth implementation of the organisational development intervention as the employees within the organisation have a feeling of involvement.

2.3.3 The Organisational Development Practitioners

The organisational development practitioners are humanists and seek to establish a social and altruistic philosophy within an organisation: The humanistic approach believes that each individual is unique and has potentiality for growth. Also the goals that the organisational development practitioner seeks to achieve through organisational development tend to reflect humanistic approach and aims for better conflict resolution, increased understanding and more considerable leadership. This approach on the behalf of the organisational development practitioner promotes better organisational climate within the organisation and provides better scope and conducive environment for the employees to develop their potentialities. It also enhances job involvement, participation and enhances overall satisfaction amongst the employees of that particular organisation.

The required changes in the organisation are usually the result of some immediate problems but it is a long term approach covering three to five years: Organisational development is an elaborate process consisting of various components. One of the most significant components of the organisational development process is diagnosis of problems.

2.3.4 Focus on Immediate or Existing Problem

Organisational development to a greater extent may focus on the immediate or existing problems in an organisation. But the overall approach towards dealing

with these problems is lengthy and complex. This is in order to ensure effective dealing with the problem and to ensure that such a problem does not arise in future.

The intervention strategies under organisational development are such that they deal with the values, attitudes and beliefs of the employees. Identifying the values, attitudes and beliefs of the employees and modifying and changing them is a challenging job, which is a time consuming activity.

It is used to describe variety of change programmes and intends to change the organisational philosophies, attitudes and skills of people: Organisational development employees varied intervention strategies that mainly focus on the attitudes, values and beliefs of the employees. This helps the organisational development professional to understand the root cause of certain problems and issues in an organisational setup. Dealing with these attitudes, values and beliefs leads to effective management of the problems or issues.

2.3.5 Organisational Development is a Dynamic Process

It is a dynamic process that involves considerable investment of money and time: As discussed in the earlier points, organisational development is a time consuming and lengthy process which also requires a considerable financial investment. This is as a result of the basic approach of organisational development which emphasises the diagnosis of the problem or issues in the organisation and its effective management with a goal that the problem or the issue should not repeat. Also the organisational development process may require involvement and contribution of the employees from varied organisational levels. Even the participation and encouragement on the part of the management is crucial here.

Organisational development may bring about major change in the structures and processes in an organisation, thus the process will consume a great amount of time and money.

2.3.6 Organisational Development is Action Based

It is research based activity and aims at conducting surveys, collection of data and evaluation of the situation: The organisational development process involves varied steps as discussed above. It is planned activity which is action based. It is also a process which focuses on determining the pressing problems and issues in an organisation. Thus various data collection methods are used in order to understand the problem that is taking place in the organisation. This data is then suitably analysed and the situation is evaluated in order to design a suitable intervention strategy. The whole research based activity ensures that the intervention strategy developed will lead to effective management of the problems and will lead to positive outcome.

2.3.7 Organisational Development Works on Open and Adaptive System Concepts

It works on open and adaptive system concepts and believes that organisational design and managerial performance are mutually interdependent: The success of organisational development greatly depends on the role played by the managers or leaders in the organisation.

Further since organisational design and managerial performance are interrelated, it

is extremely important for organisational development practitioners to interact with managers in the organisation and take their help and support for successful implementation of the organisational development interventions.

Self Assessment Questions

1) Discuss the characteristics of organisational development.

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2) Why do we say that organisational development is action based?

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3) Why do we say the organisational development focuses on immediate and existing problems?

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2.4 ORGANISATIONAL DEVELOPMENT PROCESS

At this point it is important to focus on the essential steps involved in the process of organisational development. This topic will be dealt in detail in the Block 3 of this course. According to French and Bell the basic components in organisational process are:

2.4.1 Diagnosis and Problem Identification

It is the component which represents a continuous collection of data about the total system, units and subunits. It is regarding system process culture and other targets of interests. Through diagnosis comes the identification of problem and strength, opportunities and problem areas. It begins with the organisational activities. Diagnosis helps in identifying concerns and issues and explore the scope of future course of action. This involves a number of techniques concerned establishing priorities and translating them into aims and objectives.

From the chart it is clearly visualise that from the diagnosis comes identification opportunities and then action plan or planning strategy is developed in step (2) to correct problems.

2.4.2 Action Plan or Planning Strategy

Once problems are diagnosed organisational development experts start planning the various courses of action. Attempts are to transform diagnosis into proper plan involving the overall goals for change, determination of the basic approach for attaining these goals and the sequence of detailed scheme for implementing the approach. It is relatively simple matter to identify changes after they have occurred and is considerably difficult to influence the direction thrust of changes when they are under way. Thus it is proved that planning and implementation both are inter dependent. The way in which changes is planned has an impact on the way in which it is carried out.

With the continuation of steps through planning strategy these action plans are organisational development interventions specifically tailored to address issues at individual, group, intergroup and organisational levels. Passing from this next step comes fact finding concerning the results of the actions taken.

2.4.3 Evaluation of the Effects of Action

This step relates to evaluation of the results of organisational programmes so that suitable actions may be followed. Since this is a long process there is an urgent requirement for careful monitoring to get precise feedback regarding what is going on as soon as an organisational development programme starts. Systematic appraisal of change efforts and pre and post training behavioural pattern are quite effective. If the actions have desired effects then the problems get solved and the organisation members move on to new different problems and opportunities. Sometimes some problems remain unsolved and the members have to initiate new action plans and intervention in step four to resolve the issue.

2.4.4 Intervening in the System

In the system refers to the planned programme activities during the course of an organisational programme. These planned activities bring certain changes in the system which is the basic objective of organisational development. Some new methods may be introduced in the system like education and laboratory training, process consultation, team development which will intervene and will possibly attempt to solve the issues. Sometimes when problems remain unresolved after initial attack then steps 3 and 4 entail redefining and reconceptualising the problems areas. Steps 5, 6 and 7 and so on may require for some problems and opportunities but any further steps are just iterations of the basic sequence of diagnosis-action-evaluation action.

Self Assessment Questions

1) How process effects organisational development?

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2) State the similarity between diagnosis and problem identification.

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3) How process can be evaluated to see the organisational development?

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2.5 ORGANISATIONAL DEVELOPMENT PRACTITIONERS

The organisational development practitioner plays a crucial role in the overall process of organisational development. The term refers to at least three sets of people. The most obvious group of organisational development practitioners are those people specialising in organisational development as a profession. They may be internal or external consultants who offer professional services to organisation clients, including top managers, functional department heads, and staff groups. Organisational development professionals traditionally have shared a common set of humanistic values promoting open communications, employee involvement and personal growth and development. They tend to have common training, skills, and experience in the social processes of organisations (for example, group dynamics, decision making, and communications).

- 1) In recent years, organisational development professional have expanded those traditional values and skill sets to include more concern for organisational effectiveness, competitiveness, and bottom-line results, and greater attention to the technical, structural, and strategic parts of organisations. That expansion, mainly in response to the highly competitive demands facing modern organisations, has resulted in a more diverse set of organisational development professionals geared to helping organisations cope with those pressures.
- 2) The term organisational development practitioner applies to people specialising in the fields related to organisational development, such as reward systems, organisation design, total quality, information technology, and business strategy. These content-oriented fields increasingly are becoming integrated with organisational development's process orientation, particularly as organisational development projects have become more comprehensive, involving multiple features and varying parts of organisations. The integrated strategic change intervention for example, is the result of marrying organisational development with business strategy.

A growing number of professionals in these related fields are gaining experience and competence in organisational development, mainly through working with organisational development professionals on large scale projects and through attending organisational development training sessions. For example, most of the large accounting firms have diversified into management consulting and change management. In most cases, professionals in these related fields do not

subscribe fully to traditional organisational development values, nor do they have extensive organisational development training and experience.

Rather, they have formal training and experience in their respective specialties, such as industrial relations, management consulting, information systems, health care, and work design. They are organisational development practitioners in the sense that they apply their special competence within an organisational development – like process, typically by engaging organisational development professionals and managers to design and implement change programs. They also practice organisational development when they apply their organisational development competence to their own specialties, thus spreading an organisational development perspective into such areas as compensation practices, work design, labor relations, and planning and strategy.

- 3) The term organisational development practitioner applies to the increasing number of managers and administrators who have gained competence in organisational development and who apply it to their own work areas. Studies and recent articles argue that organisational development applied by managers rather than organisational development professionals is growing rapidly. They suggest that the faster pace of change affecting organisations today is highlighting the centrality of the manager in managing change. Consequently, organisational development must become a general management skill.

Along those lines, Kanter studied a growing number of firms, such as General Electric, Hewlett-Packard, and 3M, where managers and employees have become “change masters”. They gained the expertise to introduce change and innovation into the organisation.

Self Assessment Questions

- 1) Who are the organisational development practitioners?

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- 2) What is the role of organisational development practitioners?

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2.6 VALUES

Values are the explicit or implicit conceptions of the desirable held by an individual or a group. They influence selections from available modes, means, and ends of action. Whereas values are generalised conceptions, attitudes are operations of several beliefs around specific object or situations.

Values uphold standards, while attitudes reflect multiple, often changing opinions (Spates, 1983). Values concern what should be; they are the normative standards

by which human beings are influenced in their choices among alternative courses of action.

Values are the engine of success. These values include mutual trust and confidence, honesty and open communication, sensitivity and to the feeling and emotions of others, shared goals, and a commitment to addressing and resolving conflict (Buchanan and Huczynski, 1997, p.489).

There are organisations who value these human attributes above all other quick fix benefits. Stephen Robbins (1986, p.461) expresses these human values more concisely as follows:

- The individual should be treated with respect and dignity.
- The organisation climate should be characterised by trust, openness and support.
- Hierarchical authority and control are not regarded as effective mechanisms.
- Problems and conflicts should be confronted, and not disguised or avoided.
- People affected by change should be involved in its implementation.

The value is the key point of organisational development and it plays a significant role to maintain the performance of an organisation. These values are effective in the following ways:

- i) Utilisation of total available resources;
- ii) Development of human potential;
- iii) Organisational effectiveness and health;
- iv) Exciting and challenging work;
- v) Opportunity to influence work environment and
- vi) Appreciation for unique and complex needs of individuals.

The values can also improve performance and productivity of an organisation. The possibility exists that the values of organisational development, if implemented, can be most useful in yielding increased job satisfaction for those people whose needs the values meet. The values of organisational development, in and of themselves, do not represent solutions to an organisation's ills.

Humanistic values is also important for organisation. According to Raja and Margulies (1979) humanistic values provide opportunities for people to function as human beings rather than as resources, opportunities for each member, the organisation, to develop to full potential, increase the effectiveness of the organisation in terms of all its goals, not only profit and treat each human being as a person with a complex set of needs.

Self Assessment Questions

- 1) Elucidate the values that are important for organisational development.

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2) Explain how values and organisational development are related.

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3) Discuss the ways in which the values are effective.

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2.7 ORGANISATIONAL DEVELOPMENT AND ORGANISATIONAL EFFECTIVENESS

We now have an understanding of how the organisational development contributes to a greater extent to the overall effectiveness of an organisation. US funder organisation Grantmakers for Effective Organisation (GEO, 2007) describes an effective organisation as one which “is able to fulfill its mission through a blend of sound management, strong governance, and a persistent rededication to achieving results”.

The Alliance for Nonprofit Management (again, a US organisation) describes organisational effectiveness as “the capacity of an organisation to sustain the people, strategies, learning, infrastructure and resources it needs to continue to achieve its mission”.

Barbara Kibbe (2007) has summarized the most important factors which contribute to the effectiveness of organisation. One of the factors of an effective organisation is relevant programmes that are regularly reviewed to ensure that service delivery is consistent with known best practices and related to evolving needs and context.

Policies and processes, which are efficient, cost effective, aligned with mission and goals, and focused on clear, measurable outcomes are also very important in order to make an organisation effective. Further, adequate assets and resources are required to accomplish organisational and programmatic objectives, including physical and human resources as well as financial assets.

Stability through multiple funding streams, a high level of earned income, and/or adequate cash reserves or endowment is also necessary. Last but not the least skilled leaders are one of the most important aspects of an effective organisation and also for the overall performance and success of the organisation. The skilled leaders will provide continuous learning in terms of their personal and professional growth, as well as the management of their organisations.

These factors that lead to organisational effectiveness can be achieved with the help of organisational development process.

Self Assessment Questions

1) What is organisational effectiveness?

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2) What are the important factors that contribute to organisational effectiveness.

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2.8 LET US SUM UP

To sum up, organisational development can be described as an ongoing, systematic process to implement effective change in an organisation. Organisational development is known as both a field of applied behavioural science focused on understanding and managing organisational change and as a field of scientific study and inquiry. It is interdisciplinary in nature and draws on sociology, psychology, and theories of motivation, learning, and personality. Its main goal is to facilitate effective functioning and growth in an organisation.

Organisational development is a particular kind of change process designed to bring about a particular kind of end results. It attempts to make organisations (viewed as social-technical systems) better able to attain their short and long-term objectives. This is achieved by teaching the organisation members to manage their organisation processes, structures, and culture more effectively. A basic belief of organisational development theories and practitioner is that for effective, lasting change to take place, the system members must grow in the competence to master their own fates. Organisational development is a contractual relationship between an organisational development practitioner and a sponsoring organisation entered into for the purpose of using applied behavioural science and or other organisational change perspectives in a systems context to improve organisational performance and the capacity of the organisation to improve itself.

In this unit we discussed about the nature and characteristics of organisational development, which are very important to understand so as to further clarify the concept of organisational development. We also discussed the process involved in organisational development. The role played by organisational development practitioner was also discussed in the unit. We then highlighted the relevance of values and focused on the organisational effectiveness.

2.9 UNIT END QUESTIONS

- 1) Explain organisational development as an interactive and continuous process.
- 2) Discuss the characteristics of organisational development

- 3) Describe the process involved in the organisational development.
- 4) Discuss the role of an organisational development practitioner.
- 5) Write a note on values.
- 6) Discuss about organisational effectiveness.

2.10 SUGGESTED READINGS

Blake, R.P., and J.S. Mouton. (1976) *Consultation*, Reading MA: Addison-Wesley.

Devi, Laxmi (1998) *Organisation Development*, Institute for Sustainable Development, Lucknow and Anmol Publications Pvt. Ltd, New Delhi .

French, W.L., Bell, C. H., & Vohra, V. (2006) *Organisational Development*. 6th Ed. New Delhi. Dorling Kindersley (India) Pvt. Ltd.

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UNIT 3 CONCEPTUAL FRAMEWORK OF ORGANISATIONAL DEVELOPMENT

Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 A Brief History of Organisational Development
 - 3.2.1 Early Development
 - 3.2.2 Modern Development
- 3.3 Organisational Development Worldwide
 - 3.3.1 Definition of Worldwide Organisations
 - 3.3.2 Worldwide Strategic Orientation
 - 3.3.3 Global Orientation
 - 3.3.4 Multinational Orientation
- 3.4 Let Us Sum Up
- 3.5 Unit End Questions
- 3.6 Suggested Readings

3.0 INTRODUCTION

Organisational development may be described as a methodology or technique used to effect change in an organisation or section of an organisation with a view of improving the organisation's effectiveness. It is a planned process of change and applies behavioural science knowledge. It aims at the change of organisation culture, reinforcement of organisation strategies, structures and processes for improving organisation's effectiveness and health. It applies to an entire system of an organisation, department or group as opposed to an aspect of a system.

It is a long range effort to improve organisation's problem solving and renewal processes, particularly through more effective and collaborative management of organisational culture, often with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioural science. Although behavioural science has provided the basic foundation for the study and practice of organisational development, new and emerging fields of study have made their presence known. Experts in systems thinking, leadership studies, organisational leadership, and organisational learning (to name a few) whose perspective is not steeped in just the behavioural sciences, but a much more multi-disciplinary and inter-disciplinary approach have emerged as organisational development catalysts. These emergent expert perspectives see the organisation as the holistic interplay of a number of systems that impact the process and outputs of the entire organisation. More importantly, the term change agent or catalyst is synonymous with the notion of a leader who is engaged in doing leadership, a transformative or effectiveness process as opposed to management, a more incremental or efficiency based change methodology.

The main target of organisational development is a long term institutionalisation of

new activities such as operation of self managed or autonomous work teams and other problem solving capabilities. It encompasses strategy, structure and process changes and can be termed as a process managed from the top by the management.

In the previous units we discussed in detail about the concept of organisational development, its nature, goals, characteristic and process. In this unit we will mainly focus on the brief history of organisational development and will also discuss the organisational development worldwide.

3.1 OBJECTIVES

On completing this unit, you will be able to:

- Define organisational development;
- Explain the history and process of organisational development;
- Describe organisational development worldwide;
- Delineate the characteristics of organisational development;
- Elucidate the process of organisational development;
- Explain organisational development practitioners;
- Analyse the values that are related to organisational development; and
- Describe organisational development and organisational effectiveness.

3.2 A BRIEF HISTORY OF ORGANISATIONAL DEVELOPMENT

Organisational development is an effort, planned organisation wide and managed from the top to increase organisation effectiveness and health through planned interventions in the organisations process using behavioural science knowledge. Kurt Lewin the founder father of organisational development introduced the group dynamics and action research, which comes as underpin of organisational development process. At the core it can be said that in organisational development two or more people working together. It is a long range effort to improve organisations problem solving and renewal process through more effective collaboration with the assistance of a change agent or catalyst and the use of the theory and technology of applied behavioural science. The emergent experts in the field of organisational development see the organisation in holistic approach. This holistic interplay of number of systems impacts the process and output of the entire organisation.

Organisational development attempts to systematic and practical approach to launching and diffusing change in organisation. This ongoing and cyclic process of organisational development consists of wide range of strategies for any organisational improvement. Warren Bennis has referred to organisational development as a response to change a complex educational strategy intended to change the beliefs, attitudes, values and structure of organisation so that they can better adapt to new technologies marketing, challenges and the rate of change. Thus it can be analysed with a view that organisational development targets new change in the organisation for its betterment. This brings challenges to lead towards bright future. Burke

described organisational development as a planned process of change is an organisation's culture through the utilisation of behavioural science technology, research and theory. This definition attempts to show the development in terms of utilising new behavioural changes with the learning modern technology and new research views. French and Bell describe organisational development in a more comprehensive manner as a long term effort to improve an organisations problem solving and renewal process, particularly through a more effective and collaborative management of organisation culture.

Organisational development is a contractual relationship between a change agent and a sponsoring organisation entered into for the purpose of using applied behavioural science and or the organisational change perspectives in a systems context to improve organisational performance and the capacity of the organisation to improve. Thus organisation development is an ongoing systematic long term process to make an effective change in an organisation. The success of organisational development depends on the implementation of internal and external measures. Internal measures entails a paradigm shift in terms of reorienting all levels of personnel toward development goals the creation of a development office a high level of transparency collaboration, flexibility and creative thinking. In the external measures the process requires the implementation of highly integrated public relations, fundraising and advocacy plans. This integration of the internal and external measures comes as a core of an institution for its development.

Organisational development aims at achieving the goal, mission and vision in a most effective and efficient manner. Fundamentally, organisational development is the implementation of a process of planned change for the purpose of organisational improvement (as opposed to a focus solely on performance). It is rooted in the social and behavioural sciences and draws its influences from a wide variety of content areas, including social psychology, group dynamics, industrial/organisational (I/O) psychology, participative management theory, organisational behaviour, sociology, and even psychotherapy. This diverse background has been cited as both strength and a weakness of OD. Its strength lies in the breadth and diversity that such openness affords.

We will now focus on the brief history of organisational development. The history of organisational development will help to clarify the evolution of the term as well as some of the problems and confusion that have surrounded it. As currently practiced, organisational development emerged from five major backgrounds or stems, as shown in Figure 1.1. The first was the growth of the National Training Laboratories (NTL) and the development of training groups, otherwise known as sensitivity training or T-groups. The second stem of organisational development was the classic work on action research conducted by social scientists interested in applying research to managing change. An important feature of action research was a technique known as survey feedback. Kurt Lewin, a prolific theorist, researcher, and practitioner in group dynamics and social change, was instrumental in the development of T-groups, survey feedback, and action research. His work led to the creation of organisational development and still serves as a major source of its concepts and methods.

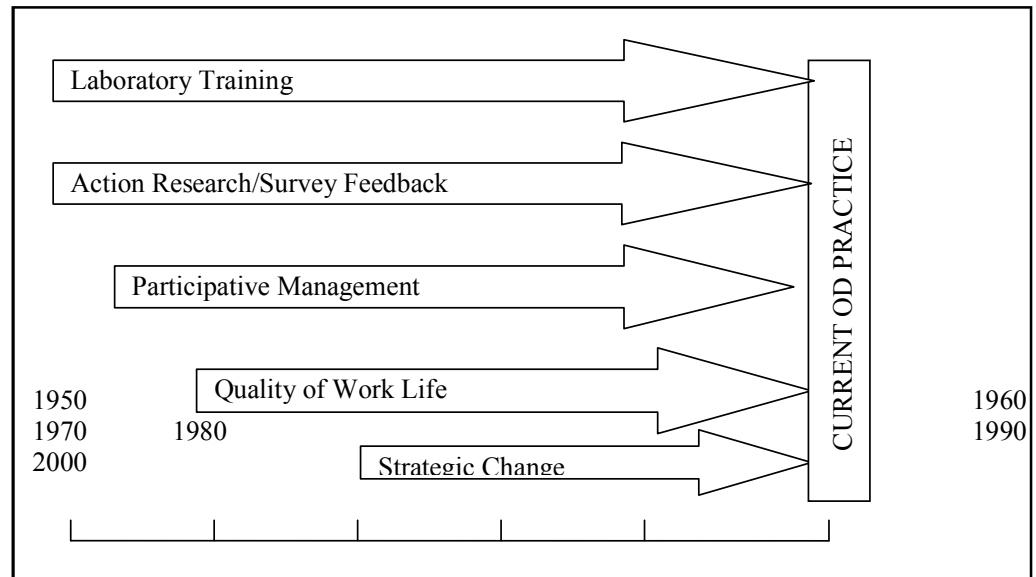


Fig. 1.1: The Five Stems of Organisational Development Practice

Courtesy: Cummings and Worley, Organisation Development and Change (2004), Chapter 1, page 6.

The third stem reflects the work of Rensis Likert and represents the application of participative management to organisation structure and design. The fourth background is the approach focusing on productivity and the quality of work life. The fifth stem of organisational development, and the most recent influence on current practice, involves strategic change and organisation transformation.

3.2.1 Early Development

Kurt Lewin played a key role in the evolution of organisation development as it is known today. As early as **World War II**, Lewin experimented with a collaborative change process (involving himself as consultant and a client group) based on a three-step process of planning, taking action, and measuring results. This was the forerunner of action research, an important element of organisational development, which will be discussed later. Lewin then participated in the beginnings of laboratory training, or T-groups, and, after his death in 1947, his close associates helped to develop survey-research methods at the University of Michigan. These procedures became important parts of organisational development as developments in this field continued at the National Training Laboratories and in growing numbers of universities and private consulting firms across the country.

Douglas McGregor and Richard Beckhard while “consulting together at General Mills in The failure of off-site laboratory training to live up to its early promise was one of the important forces stimulating the development of organisational development. Laboratory training is learning from a person’s “here and now” experience as a member of an ongoing training group. Such groups usually meet without a specific agenda. Their purpose is for the members to learn about themselves from their spontaneous “here and now” responses to an ambiguous hypothetical situation. Problems of leadership, structure, status, communication, and self-serving behaviour typically arise in such a group. The members have an opportunity to learn something about themselves and to practice such skills as listening, observing others, and functioning as effective group members.

As formerly practiced (and occasionally still practiced for special purposes), laboratory training was conducted in “stranger groups,” or groups composed of

individuals from different organisations, situations, and backgrounds. A major difficulty developed, however, in transferring knowledge gained from these “stranger labs” to the actual situation “back home”. This required a transfer between two different cultures, the relatively safe and protected environment of the T-group (or training group) and the give-and-take of the organisational environment with its traditional values. This led the early pioneers in this type of learning to begin to apply it to “family groups” — that is, groups located within an organisation. From this shift in the locale of the training site and the realisation that culture was an important factor in influencing group members (along with some other developments in the behavioural sciences) emerged the concept of organisation development.

The Cambridge Clinic found itself having difficulty with its internal working relationships. The medical director, concerned with the effect these problems could have on patient care, contacted an organisational consultant at a local university and asked him for help. A preliminary discussion among the director, the clinic administrator, and the consultant seemed to point to problems in leadership, conflict resolution, and decision processes. The consultant suggested that data be gathered so that a working diagnosis could be made. The clinic officials agreed, and tentative working arrangements were concluded.

The consultant held a series of interviews involving all members of the clinic staff, the medical director, and the administrator. Then the consultant “thematized”, or summarized, the interview data to identify specific problem areas. At the beginning of a workshop about a week later, the consultant fed back to the clinic staff the data he had collected. The staff arranged the problems in the following priorities

Role conflicts between certain members of the medical staff were creating tensions that interfered with the necessity for cooperation in handling patients. The leadership style of the medical director resulted in his putting off decisions on important operating matters. This led to confusion and sometimes to inaction on the part of the medical and administrative staffs. Communication between the administrative, medical, and outreach (social worker) staffs on mutual problems tended to be avoided. Open conflicts over policies and procedures were thus held in check, but suppressed feelings clearly had a negative influence on interpersonal and intergroup behaviour.

Through the use of role analysis and other techniques suggested by the consultant, the clinic staff and the medical director were able to explore the role conflict and leadership problems and to devise effective ways of coping with them. Exercises designed to improve communication skills and a workshop session on dealing with conflict led to progress in developing more openness and trust throughout the clinic. An important result of this first workshop was the creation of an action plan that set forth specific steps to be applied to clinic problems by clinic personnel during the ensuing period. The consultant agreed to monitor these efforts and to assist in any way he could. Additional discussions and team development sessions were held with the director and the medical and administrative staffs.

A second workshop attended by the entire clinic staff took place about two months after the first. At the second workshop, the clinic staff continued to work together on the problems of dealing with conflict and interpersonal communication. During the last half-day of the meeting, the staff developed a revised action plan covering improvement activities to be undertaken in the following weeks and months to improve the working relationships of the clinic.

A notable additional benefit of this organisational development program was that the clinic staff learned new ways of monitoring the clinic's performance as an organisation and of coping with some of its other problems. Six months later, when the consultant did a follow-up check on the organisation, the staff confirmed that interpersonal problems were now under better control and that some of the techniques learned at the two workshops associated with the organisational development programs were still being used.

Organisational Development is a system-wide application and transfer of behavioural science knowledge to the planned development, improvement, and reinforcement of the strategies, structure, and process that lead to organisation effectiveness. (Abdul Basit - nust - seecs)

3.2.2 Modern Development

In recent years, serious questioning has emerged about the relevance of organisational development to managing change in modern organisations. The need for “reinventing” the field has become a topic that even some of its “founding fathers” are discussing critically.

With this call for reinvention and change, scholars have begun to examine organisational development from an emotion-based standpoint. For example, deKlerk (2007) writes about how emotional trauma can negatively affect performance. Due to downsizing, outsourcing, mergers, restructuring, continual changes, invasions of privacy, harassment, and abuses of power, many employees experience the emotions of aggression, anxiety, apprehension, cynicism, and fear, which can lead to performance decreases. deKlerk (2007) suggests that in order to heal the trauma and increase performance, organisational development practitioners must acknowledge the existence of the trauma, provide a safe place for employees to discuss their feelings, symbolize the trauma and put it into perspective, and then allow for and deal with the emotional responses. One method of achieving this is by having employees draw pictures of what they feel about the situation, and then having them explain their drawings with each other. Drawing pictures is beneficial because it allows employees to express emotions they normally would not be able to put into words. Also, drawings often prompt active participation in the activity, as everyone is required to draw a picture and then discuss its meaning.

The use of new technologies combined with globalization has also shifted the field of organisation development. Roland Sullivan (2005) defined Organisation Development with participants at the 1st Organisation Development Conference for Asia in Dubai-2005 as “Organisation Development is a transformative leap to a desired vision where strategies and systems align, in the light of local culture with an innovative and authentic leadership style using the support of high tech tools”. Organisational development is the thing helping in building good culture in the organisation.

Self Assessment Questions

- 1) Describe the role played by Lewin in organisational development.

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2) Discuss early development in organisational development.

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3) Describe modern development in organisational development.

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3.3 ORGANISATION DEVELOPMENT WORLDWIDE

The Worldwide helps organisations to leverage their human potential. The worldwide organisation development is a leader in the field of organisational development, growth and success, providing a world-class repository of knowledge and expertise on the topic of organisational development and reflecting the issues or challenges faced by organisations of all types and sizes globally.

Organisation development world wide collects information, performs research, writes and publishes case studies and organisational success stories for persons and professionals in the interest of ongoing learning. It also disseminates information, products, processes and services designed to help organisations of all kinds to develop and grow.

The organisational development worldwide maintains four key areas as given below.

- Organisational research
- New products/tools/process development
- Organisational services
- Publishing

The Worldwide Organisational Development has four main areas of activity given above. The Research and Process Development, are input-focused, and relate to gathering information and feedback. Conversely, Organisational Services and Publishing are output-focused, offering world-class solutions to members and clients.

Organisational research is conducted across a range of different organisations in multiple sectors. The focus of research is on setting up medium to long term studies in organisational development tools, techniques and methods and analysing the results so that these can be written up and disseminated widely. This includes the publication of organisational development articles, case studies and research papers.

The worldwide organisational development seeks to learn with and have a significant impact upon practicing managers and leaders and those who support them, through

exposure to organisational development tools, methods and processes. It helps to create organisational development applications – both programs and products – that are useful and attractive to clients. It shares knowledge through publications and forums that reach practitioners and academic researchers with similar interests. It forges developmental associations with like-minded organisations and research institutions.

An important trend facing many business firms is the emergence of a global marketplace. Driven by competitive pressures, lowered trade barriers, and advances in information technologies, the number of companies offering products and services in multiple countries is increasing rapidly. The organisational growth and complexity associated with worldwide operations pose challenging managerial problems.

Executives must choose appropriate strategic orientations for operating across cultures and geographical locations, and under diverse governmental and environmental requirements. They must be able to adapt corporate policies and procedures to a range of local conditions. Moreover, the tasks of controlling and coordinating operations in different nations place heavy demands on information and control systems and managerial skills and knowledge.

Worldwide organisation development applies to organisations that are operating across multiple geographic and cultural boundaries. This contrasts with OD in organisations that operate outside the United States but within a single cultural and economic context. This section describes the emerging practice of OD in world wide organisations, a relatively new but important area of planned change.

3.3.1 Definition of Worldwide Organisations

Worldwide organisations can be defined in terms of three key facets.

First, they offer products or services in more than one country and actively manage substantial direct investments in those countries. Consequently, they must relate to a variety of demands, such as unique product requirements, tariffs, value-added taxes, transportation laws, and trade agreements.

Second, worldwide firms must balance product and functional concerns with geographic issues of distance, time, and culture. American tobacco companies, for example, face technological, moral, and organisational issues in determining whether to market cigarettes in less-developed countries, and if they do, they must decide how to integrate manufacturing and distribution operations on a global scale.

Third, worldwide companies must carry out coordinated activities across cultural boundaries using a wide variety of personnel. Workers with different cultural backgrounds must be managed in ways that support the overall goals and image of the organisation.

The company must therefore adapt its human resources policies and procedures to fit the culture and accomplish operational objectives. From a managerial perspective, selecting executives to head foreign operations is an important decision in worldwide organisations.

3.3.2 Worldwide Strategic Orientations

A key contingency in designing OD interventions in worldwide organisations is how products, organisational units, and personnel are arranged to form strategic orientations that enable firms to compete in the global marketplace. Worldwide

organisations can offer certain products or services in some countries and not in others; they can centralise or decentralise operations; and they can determine how to work with people from different cultures.

Despite the many possible combinations of characteristics, researchers have found that worldwide organisations generally implement one of three types of strategic orientations: global, multinational or transnational. Table below presents these orientations in terms of the diagnostic framework. Each strategic orientation is geared to specific market, technological, and organisational requirements. OD interventions that can help organisations to meet these demands also are included in the table below.

3.3.3 Global Orientation

This orientation is characterised by a strategy of marketing standardized products in different countries. It is an appropriate orientation when there is little economic reason to offer products or services with special features or locally available options. Manufacturers of office equipment, consumer goods, computers, tires, and containers, for example, can offer the same basic product in almost any country.

The goal of efficiency dominates this orientation. Production efficiency is gained through volume sales and a small number of large manufacturing plants. Managerial efficiency is achieved by centralising product design, manufacturing, distribution, and marketing decisions.

Tight coordination is achieved by the close physical proximity of major functional groups and formal control systems that balance inputs, production, and distribution with worldwide demand. Many Japanese firms, such as Honda, Sony, NEC, and Matsushita, used this strategy in the 1970s and early 1980s to grow in the international economy.

In Europe, Nestle exploits economies of scale in marketing by advertising well-known brand names around the world. The increased number of microwaves and two-income families allowed Nestle to push its Nescafe coffee and Lean Cuisine low-calorie frozen dinners to dominate market-share positions in Europe, North America, Latin America, and Asia.

Similarly, Korean noodle maker, Nong Shim Company, avoided the 1999 financial crisis by staying focused on efficiency. Yoo Jong Suk, Nong Shim's head of strategy, went against recommendations to diversify and stated, "All we want is to be globally recognised as a ram yon maker".

In the global orientation, the organisation tends to be centralised with a global product structure. Presidents of each major product group report to the CEO and form the line organisation. Each of these product groups is responsible for worldwide operations. Information systems in global orientations tend to be quite formal with local units reporting sales, costs, and other data directly to the product president.

The predominant human resources policy integrates people into the organisation through ethnocentric selection and staffing practices. These methods seek to fill key foreign positions with personnel, or expatriates, from the home country where the corporation headquarters is located. Managerial jobs at Volvo and Michelin, for example, are occupied by Swedish and French citizens, respectively.

Ethnocentric policies support the global orientation because expatriate managers are more likely than host-country nationals to recognise and comply with the need to centralise decision making and to standardize processes, decisions, and relationships with the parent company. Although many Japanese automobile manufacturers have decentralised production, Nissan's global strategy has been to retain tight, centralised control of design and manufacturing, ensure that almost all of its senior foreign managers are Japanese, and have even low-level decisions emerge from face-to face meetings in Tokyo.

Several organisational development interventions can be used to support the global strategic orientation, including career planning, role clarification, employee involvement, conflict management, and senior management team building. Each of these interventions can help the organisation achieve improved operational efficiency. For example, role clarification interventions, such as job enrichment, goal setting, and conflict management, can formalize and standardize organisational activities. This ensures that each individual knows specific details about how, when, and why a job needs to be done. As a result, necessary activities are described and efficient transactions and relationships are created.

Table : Characteristics and Interventions for Worldwide Strategic Orientations

Table : Characteristics and Interventions for Worldwide Strategic Orientations					
Worldwide Strategic Orientation	Strategy	Structure	Information System	Human Resource	Organisational Development Intervention
Global	Standardized Products Goals of efficiency through volume	Centralized, balanced, and coordinated activities Global product division	Formal	Ethnocentric selection	Career planning Role clarification Employee involvement Senior management team building Conflict management
Multinational	Tailored Products Goals of local responsiveness through specialisation	Decentralized operations; centralised planning Global Geographic divisions	Profit Centers	Regiocentric or polycentric selection	Intergroup relations Local management team building Management development Reward systems Strategic alliances
Transnational	Tailored Products Goals of learning and responsiveness through integration	Decentralized, worldwide coordination Global matrix or network	Subtle, clan-oriented controls	Geocentric selection	Extensive selection and rotation Cultural development Intergroup relations Building corporate vision

Courtesy: Cummings and Worley, Organisation Development and Change (2004), Chapter 21, page 567.

Senior management team building can improve the quality of strategic decisions. Centralised policies make the organisation highly dependent on this group and can exaggerate decision making errors in addition interpersonal conflict can increase the cost of coordination or cause significant coordination mistakes. Process

interventions at this level can help improve the speed and quality of decision making and improve interpersonal relationships.

Career planning can help home-country personnel develop a path to senior management by including foreign subsidiary experiences and cross-functional assignments as necessary qualifications for advancement. At the country level career planning can emphasise that advancement beyond regional operations is limited for host-country nationals. OD can help here by developing appropriate career paths within the local organisation or in technical, non managerial areas. Finally, employee empowerment can support efficiency goals by involving members in efforts at cost reduction, work standardization, and minimization of coordination costs.

3.3.4 Multinational Orientation

The multinational orientation emphasises a decentralised, global division structure. Each region or country is served by a divisional organisation that operates autonomously and reports to headquarters. This results in highly differentiated and loosely coordinated corporate structure. Operational decisions, such as product design, manufacturing, and distribution, are decentralised and tightly integrated at the local level. For example, laundry soap manufacturers offer product formulas, packaging, and marketing strategies that conform to the different environmental regulations, types of washing machines, water hardness, and distribution channels in each country.

On the other hand, planning activities often are centralised at corporate headquarters to achieve important efficiencies necessary for worldwide coordination of emerging technologies and of resource allocation. A profit-center control system allows local autonomy as long as profitability is maintained. Examples of multinational corporations include Hoechst and BASF of Germany. IBM and Merck of the United States, and Honda of Japan. Each of these organisations encourages local subsidiaries to maximize effectiveness within their geographic region.

People are integrated into multinational firms through polycentric or regiocentric personnel policies because these firms believe that host country nationals can understand native cultures most clearly. By filling positions with local citizens who appoint and develop their own staffs, the organisation aligns the needs of the market with the ability of its subsidiaries to produce customized products and services.

The distinction between a polycentric and a regiocentric selection process is one of focus. In a polycentric selection policy, a subsidiary represents only one country; in the regiocentric selection policy, a slightly broader perspective is taken and key positions are filled by regional citizens (that is, people who might be called Europeans, as opposed to Belgians or Italians).

The decentralised and locally coordinated multinational orientation suggests the need for a complex set of organisational development interventions. When applied to a subsidiary operating in a particular country or region, the organisational development process described above for organisations outside the United States is relevant. The key is to tailor organisational development to fit the specific cultural and economic context where the subsidiary is located.

When organisational development is applied across different regions and countries, interventions must account for differences in cultural and economic conditions that

can affect its success. Appropriate interventions for multinational corporations include intergroup relations, local management team building, sophisticated management selection and development practices, and changes to reward systems. Team building remains an important intervention. Unlike team building in global orientations, the local management team requires attention in multinational firms. This presents a challenge for organisational development practitioners because polycentric selection policies can produce management teams with different cultures at each subsidiary. Thus, a program developed for one subsidiary may not work with a different team at another subsidiary, given the different cultures that might be represented.

Intergroup interventions to improve relations between local subsidiaries and the parent company are also important for multinational companies. Decentralised decision making and regiocentric selection can strain corporate-subsidiary relations. Local management teams, operating in ways appropriate to their cultural context, may not be understood by corporate managers from another culture. Organisational development practitioners can help both groups understand these differences by offering training in cultural diversity and appreciation. They also can smooth parent-subsidiary relationships by focusing on the profit-center control system or other criteria as the means for monitoring and measuring subsidiary effectiveness.

Management selection, development, and reward system also require special attention in multinational firms. Managerial selection for local or regional subsidiaries requires finding technically and managerially competent people who also possess the interpersonal competence needed to interface with corporate headquarters. Because these people may be difficult to find, management development programs can teach these cross-cultural skills and abilities. Such programs typically involve language, cultural awareness, and technical training; they also can include managers and staff from subsidiary and corporate offices to improve communications between the two areas. Finally, reward systems need to be aligned with the decentralised structure. Significant proportions of managers' total compensation could be tied to local profit performance, thereby aligning reward and control systems.

Self Assessment Questions

1) What is world wide organisation?

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2) Discuss multinational orientation.

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3) What are intergroup interventions?

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4) What is required in management selection for multinational firms?

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3.4 LET US SUM UP

Organisational development is playing a significant role in helping organisations change themselves, and rebuild their strategies, structure and processes. Organisational development is helping organisation members go beyond surface changes to transform the underline assumptions and values governing their behaviours. Organisational development is also important to those who have no aspirations to become professional practitioners. All managers and administrators are responsible for supervising and developing subordinates and for improving their department's performance. Finally, organisational development is important to general managers and other senior executives because organisational development can help the whole organisation to become more flexible adaptable and effective. Organisational development can provide the skill and knowledge necessary for establishing effective interpersonal and helping relationships. It can show personnel how to work effectively with others in diagnosing complex problems and devising appropriate solutions.

This unit has covered the information on the characteristics of organisational development, diagnosing the organisation, designing the effective interventions as well as stating the requirements of the organisational development practitioners. Lastly it has also focused on organisational development all over the world.

3.5 UNIT END QUESTIONS

- 1) Trace the early and modern developments in organisational development.
- 2) Describe organisational development worldwide.

3.6 SUGGESTED READINGS

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UNIT 4 FIRST ORDER AND SECOND ORDER CHANGE IN ORGANISATIONAL DEVELOPMENT

Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 First Order Change in Organisational Development
- 4.3 Action Research
 - 4.3.1 Major Theories of Action Research
- 4.4 Team Building
 - 4.4.1 Team Building Exercises
 - 4.4.2 Communication Exercises
 - 4.4.3 Problem Solving/Decision Making Exercises
 - 4.4.4 Planning Adaptation Exercises
 - 4.4.5 Trust Exercises
- 4.5 Process Consultation
- 4.6 The Survey Feedback Process
- 4.7 Job Design
 - 4.7.1 Human Relations Approach
 - 4.7.2 The Job Characteristic Approach
 - 4.7.3 Socio Technical Systems Approach
- 4.8 Participative Management
 - 4.8.1 Benefits of Participative Management
- 4.9 Second Order Change in Organisational Development
- 4.10 Organisational Development Interventions
 - 4.10.1 Applying Criteria to Goals
 - 4.10.2 Establishing Inter- unit Task Forces
 - 4.10.3 Experimentation with Alternative Arrangements
 - 4.10.4 Identifying Key Communicators
 - 4.10.5 Identifying “Fireable Offences”
 - 4.10.6 Invisioning
 - 4.10.7 Team Building
 - 4.10.8 Inter-group Problem Solving
 - 4.10.9 Management Leadership Training
 - 4.10.10 Setting Up Management Systems
 - 4.10.11 Total Quality Management
- 4.11 Let Us Sum Up
- 4.12 Unit End Questions
- 4.13 Suggested Readings

4.0 INTRODUCTION

In the previous units we have extensively discussed about the meaning and significance of organisational development. We also focused on the foundations and historical development of organisational development. In this unit we will be highlighting one of the significant aspects of organisational development that is organisational transformation.

Amir Levy and Uri Merry (1986) give one of the most complete explorations of this topic in their book, organisational transformation. They define the term as a multi-dimensional, multi-level, qualitative, discontinuous, radical organisational change involving a paradigmatic shift. Increasingly, organisational development professionals distinguish between the more modest or evolutionary, efforts toward organisation improvement and those that are massive and, in a sense, revolutionary. For example, Nadler and Tushman refer to “transitions” on the one hand, and frame bending” on the other. Goodstein and Burke contrast “fine tuning” and “fundamental, large-scale change in the organisation’s strategy and culture”. Organisational transformation is seen as requiring more demands on top leadership, more visioning, more experimenting, more time, and the simultaneous management of many additional variables.

Hillary utilises a model of First-order Change and Second-order Change, borrowed from others (Levy, et al), to describe this transformation process. These two models will now be discussed in detail in this unit, with descriptions of various techniques that fall under each model, that facilitate organisational transformation.

4.1 OBJECTIVES

At the end of this unit, you will be able to:

- explain the first and second order change in organisational development;
- describe the elements in first order change; and
- discuss organisational development intervention.

4.2 FIRST ORDER CHANGE IN ORGANISATIONAL DEVELOPMENT

The first order change of organisational development usually refers to socio-technical aspects in the organisation. According to Hillary, **First-order change** does **not** challenge or contradict the established context of ‘organisation.’ People are **not** usually threatened either personally or collectively by this type of change. **First-order change**, according to Hillary, happens in the context of “Core Processes” of an organisation. This is superficial and “does not call into question the existing culture, mission/purpose, or organisational paradigm.” In education reform language, “Core processes” referred to the basic operation — the arena of the cafeteria, bus scheduling, building maintenance, etc. These could be changed without creating a paradigm shift in the overall structure and function of the local school. Likewise, **First-order change** in a church could mean changing the hours for services, renovating the building, choosing new choir robes, scheduling nursery workers, etc.

The elements of first order change are:

- 1) Action Research
- 2) Team Building
- 3) Process Consultation
- 4) The Survey Feedback Process
- 5) Job Design
- 6) Participative Management

These elements will be discussed in the following sections.

Self Assessment Questions

- 1) What is first order change?

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- 2) Name the elements of first order change.

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4.3 ACTION RESEARCH

Action Research is research on action with the goal of making that action more effective. Action refers to programs and interventions designed to solve a problem or improve a condition. The action research model underlying most organisation development activities is the action research model. In the action research the three processes are involved i.e. data collection; feedback of the data; and planning of the action to be taken. Action research involves an approach to problem solving – a model, problem solving process – a series of activities and events. Action refers to programs and interventions designed to solve a problem or improve a condition. Kurt Lewin believed that research on action programs, especially social change programs, was imperative if progress was to be made in solving social problems.

In organisation setting there is a healthy relationship between action research and organisation development. Action research supplies an approach and a process for generating and utilising information about the system itself that will provide a base for the action research. Action research can also be undertaken by larger organisations or institutions, assisted or guided by professional researchers, with the aim of improving their strategies, practices, and knowledge of the environments within which they practice. As designers and stakeholders, researchers work with others to propose a new course of action to help their community improve its work practices (Center for Collaborative Action Research). Kurt Lewin, then a

professor at MIT, first coined the term “action research” in about 1944. In his 1946 paper “Action Research and Minority Problems” he described action research as “a comparative research on the conditions and effects of various forms of social action and research leading to social action” that uses “a spiral of steps, each of which is composed of a circle of planning, action, and fact-finding about the result of the action”.

Action research challenges traditional social science, by moving beyond reflective knowledge created by outside experts sampling variables to an active moment-to-moment theorizing, data collecting, and inquiring occurring in the midst of emergent structure.

4.3.1 Major Theories of Action Research

Chris Argyris Action Science begins with the study of how human beings design their actions in difficult situations. Human actions are designed to achieve intended consequences and governed by a set of environment variables. How those governing variables are treated in designing actions are the key differences between single loop learning and double loop learning.

When actions are designed to achieve the intended consequences and to suppress conflict about the governing variables, a single loop learning cycle usually ensues. On the other hand, when actions are taken, not only to achieve the intended consequences, but also to openly inquire about conflict and to possibly transform the governing variables, both single loop and double loop learning cycles usually ensue. (Argyris applies single loop and double loop learning concepts not only to personal behaviours but also to organisational behaviours in his models.) This is different from experimental research in which environmental variables are controlled and researchers try to find out cause and effect in isolated environment.

Cooperative inquiry, also known as collaborative inquiry was first proposed by John Heron in 1971 and later expanded with Peter Reason. The major idea of cooperative inquiry is to “research ‘with’ rather than ‘on’ people.” It emphasises that all active participants are fully involved in research decisions as co-researchers. Cooperative inquiry creates a research cycle among four different types of knowledge: propositional knowing (as in contemporary science), practical knowing (the knowledge that comes with actually doing what you propose), experiential knowing (the feedback we get in real time about our interaction with the larger world) and presentational knowing (the artistic rehearsal process through which we craft new practices). The research process includes these four stages at each cycle with deepening experience and knowledge of the initial proposition, or of new propositions, at every cycle.

Participatory action research has emerged in recent years as a significant methodology for intervention, development and change within communities and groups. It is now promoted and implemented by many international development agencies and university programs, as well as countless local community organisations around the world. PAR builds on the critical pedagogy put forward by Paulo Freire as a response to the traditional formal models of education where the “teacher” stands at the front and “imparts” information to the “students” who are passive recipients. This was further developed in “adult education” models throughout Latin America.

The Developmental Action Inquiry is a “way of simultaneously conducting action and inquiry as a disciplined leadership practice that increases the wider effectiveness

of our actions. Such action helps individuals, teams, organisations become more capable of self-transformation and thus more creative, more aware, more just and more sustainable” (Torbert, 2004). Action Inquiry challenges our attention to span four different territories of experience (at the personal, group, or organisational scales) in the midst of actions. This practice promotes timeliness, that is learning with moment to moment intentional awareness among individuals and with regard to the outside world of nature and human institutions.

It studies the pre constituted internalised and externalised universe in the present, both as it resonates with and departs from the past, and as it resonates with and potentiates the future. (Torbert, 2001). Whitehead and McNiff (2006), formulated living theory of action research. In educational setting they explain that individuals generate explanations of their educational influences in their own learning, in the learning of others and in the learning of social formations. They generate the explanations from experiencing themselves as living contradictions in enquiries of the kind, ‘How do I improve what I am doing?’ They use action reflection cycles of expressing concerns, (saying why you are concerned in relation to values), imagining possibilities in developing action plans, acting and gathering data, evaluating the influences of action, modifying concerns, ideas and action in the light of the evaluations. The explanations include life-affirming, energy-flowing values as explanatory principles.

Wendell L. French and Cecil Bell define organisation development (OD) at one point as “organisation improvement through action research”. If one idea can be said to summarize organisational development’s underlying philosophy, it would be action research as it was conceptualized by Kurt Lewin and later elaborated and expanded on by other behavioural scientists. Concerned with social change and, more particularly, with effective, permanent social change, Lewin believed that the motivation to change was strongly related to action: If people are active in decisions affecting them, they are more likely to adopt new ways. “Rational social management”, he said, “proceeds in a spiral of steps, each of which is composed of a circle of planning, action, and fact-finding about the result of action”.

Lewin’s description of the process of change involves three steps:

- 1) **Unfreezing:** Faced with a dilemma or disconfirmation, the individual or group becomes aware of a need to change.
- 2) **Changing:** The situation is diagnosed and new models of behaviour are explored and tested.
- 3) **Refreezing:** Application of new behaviour is evaluated, and if reinforcing, adopted.

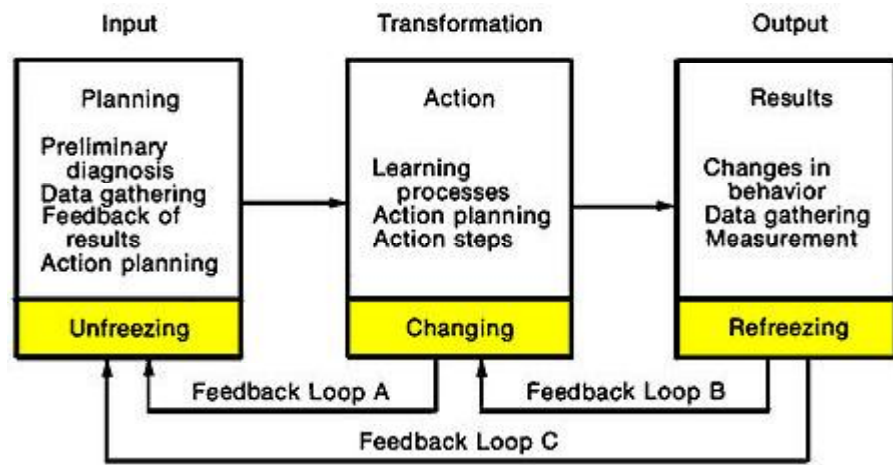


Fig.: Systems Model of Action-Research Process

Courtesy: http://en.wikipedia.org/wiki/Action_research

The above figure summarizes the steps and processes involved in planned change through action research. Action research is depicted as a cyclical process of change.

The cycle begins with a series of planning actions (the first stage) initiated by the client and the change agent working together. The principal elements of this stage include a preliminary diagnosis, data gathering, feedback of results, and joint action planning.

The second stage of action research is the action, or transformation, phase. This stage includes actions relating to learning processes (perhaps in the form of role analysis) and to planning and executing behavioural changes in the client organisation. As shown in Figure above, feedback at this stage would move via Feedback Loop A and would have the effect of altering previous planning to bring the learning activities of the client system into better alignment with change objectives. Included in this stage is action planning activity carried out jointly by the consultant and members of the client system. As indicated in the diagram, the planning stage is a period of unfreezing, or problem awareness.

The action stage is a period of changing that is, trying out new forms of behaviour in an effort to understand and cope with the system's problems. (There is inevitable overlap between the stages, since the boundaries are not clear cut and cannot be in a continuous process).

The results stage is a period of refreezing, in which new behaviours are tried out on the job and, if successful and reinforcing, become a part of the system's repertoire of problem-solving behaviour.

Self Assessment Questions

1) Define action research.

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2) Discuss any one theory of action research.

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3) Discuss Lewin's description of the process of change.

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4.4 TEAM BUILDING

Team Building refers to a wide range of activities, presented to businesses, schools, sports teams, religious or nonprofit organisations designed for improving team performance. Team building is pursued via a variety of practices, and can range from simple bonding exercises to complex simulations and multi-day team building retreats designed to develop a team (including group assessment and group-dynamic games), usually falling somewhere in between. It generally sits within the theory and practice of organisational development, but can also be applied to sports teams, school groups, and other contexts.

Teambuilding is an important factor in any environment, its focus is to specialise in bringing out the best in a team to ensure self development, positive communication, leadership skills and the ability to work closely together as a team to solve problems.

A focus on intact work teams and other team configurations has been central to organisational development since the emergence of the field, but recent years have seen widening and deepening interest in teams, especially what are called high performance teams, cross functional teams and self-managed teams. Interest has intensified particularly in self-managed or self-directed teams.

4.4.1 Team Building Exercises

Team building exercises consist of a variety of tasks designed to develop group members and their ability to work together effectively. The purpose of team building exercises is to assist teams in becoming cohesive units of individuals that can effectively work together to complete tasks.

4.4.2 Communication Exercises

This type of team building exercise is exactly what it sounds like. Communications exercises are problem solving activities that are geared towards improving communication skills. The issues teams encounter in these exercises are solved by communicating effectively with each other. The goal of this exercise is to create an activity which highlights the importance of good communication in team performance and/or potential problems with communication.

4.4.3 Problem Solving/Decision Making Exercises

Problem Solving/Decision making exercises focus specifically on groups working together to solve difficult problems or make complex decisions. These exercises are some of the most common as they appear to have the most direct link to what employers want their teams to be able to do. The goal here is to give team a problem in which the solution is not easily apparent or requires the team to come up with a creative solution.

4.4.4 Planning/Adaptability Exercises

These exercises focus on aspects of planning and being adaptable to change. These are important things for teams to be able to do when they are assigned complex tasks or decisions. The goal of this exercise is to show the importance of planning before implementing a solution.

4.4.5 Trust Exercises

A trust exercise involves engaging team members in a way that will induce trust between them. They are sometimes difficult exercises to implement as there are varying degrees of trust between individuals and varying degrees of individual comfort trusting others in general. The goal here is to create trust between team members

Self Assessment Questions

1) Discuss the concept of team building

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2) Explain communication exercises

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3) Describe trust exercises

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4.5 PROCESS CONSULTATION

Process consulting is a late 20th century practice. Classically espoused in the works of Edgar Schein (especially *Process Consultation Revisited*), this model is based on consultation as a “helping relationship”. The mutual nature of this

relationship, with the consultant working *with* and not *for* the client is a keynote of the process consultation philosophy.

Process consultation is generally contrasted with expert consultation and is frequently seen by its advocates as a superior style of management consulting. In practice, however, almost all management consulting involves a mix of expert and process models, with the consultant frequently shifting roles to meet the needs of the situation. Schein himself notes the need for such fluidity in practice.

Process consultation has the powerful advantage of being by its nature specifically tailored to any particular situation. As new forms of organisations and new interactions between organisations occur, process consultation will be applied in different ways to meet new goals. Basically, one can extrapolate the strengths of this model to 21st century conditions in the following ways:

- 1) **Orientation toward ongoing ability and learning:** The focus of process consultation is on solving the problem. But in a world of constant change and development, there will always be problems and particular solutions will never be lasting. In the second generation form of process consultation, there more be more emphasis on *problem solving ability* rather than problem solving.
- 2) **More involvement and participation:** It is a whole system world; processes that look at and employ only one part of the organisation are insufficient. The new generation of process consultants will increasingly work with internal consultants, teams, and all levels of the organisation.
- 3) **Building up facilitation and consultation skills in the organisation:** There will be development that means it is able to meet new challenges and conditions, not just those which initiated the consultancy.
- 4) **Wider application of techniques and methods:** As everyone becomes involved in all phases of the organisation and everyone becomes responsible for the organisation's development, there will be a need for more people to know and to use more principles and more practices in more situations. For example, dialogue, a staple of the process consultation effort, will be used not simply in special situations or just for team-building purposes but will be a tool of organisation and not just of the consultant, resulting in *dialogic communication as part of the organisational culture*.
- 5) **Links to mission, values and vision:** If a 21st century organisation does not know its mission, if it does not have strong values, or if it does not have a compelling vision, it will die. The 21st practice of process consultation will increasingly make use of these variables in analysis, diagnosis, and prescription for organisational development. The goal of the consultancy will not simply be to fix a situation but the creation of a better organisation.

Process consulting is a powerful tool which is used to enhance group effectiveness, shorten meeting times, and address conflict. It helps teams to work together more effectively, and its effects can last long after the consultant has departed. The benefits of process consulting are usually:

- Shorter meetings.
- More productive meetings.
- Better decisions.

- Increased feelings of participation or potency.
- Greater satisfaction with the team or meetings.

Self Assessment Questions

1) Explain any two strengths of process consulting.

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2) Discuss the benefits of process consultation.

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4.6 THE SURVEY FEEDBACK PROCESS

In globally competitive environments, organisations are seeking information about obstacles to productivity and satisfaction in the workplace. Survey feedback is a tool that can provide this type of honest feedback to help leaders guide and direct their teams. Obstacles and gaps between the current status quo and the desired situations may or may not be directly apparent. In either case, it is vital to have a clear understanding of strategies for diagnosis and prevention of important organisation problems. If all leaders and members alike are clear about the organisational development and change, strengths, weakness, strategies can be designed and implemented to support positive change. Survey feedback provides a participative approach and enables all members to become actively engaged in managing the work environment.

Survey Process Steps:

Following are the steps involved in survey process:

- Identify project plan and objectives
- Brief team leaders and employees about the process
- Administer survey
- Conduct interviews and focus groups
- Train leaders on facilitating team discussions
- Analyse the data and construct a report
- Provide feedback to leaders
- Team leaders conduct feedback action planning and meetings
- Leaders present reports on progress and results to Senior Management
- Follow-up by senior leadership to ensure progress and accountability

Self Assessment Questions

- 1) Mention the steps involved in survey process.

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4.7 JOB DESIGN

Job design in organisational development is the application of sociotechnical systems principles and techniques to the humanisation of work. The aim of job design is to improve job satisfaction, through-put, quality and to reduced employee problems, e.g., grievances, absenteeism. There are various important approaches to job design, viz.,

Engineering Approach

The most important single element in the Engineering approaches, proposed by F.W. Taylor et al, was the 'task idea'. "The work of every workman is fully planned out by the management at least one day in advance and each man receives in most cases complete written instructions, describing in detail the task which he is to accomplish. This task specifies not only what is to be done but how it is to be done and the exact time allowed for doing it." The principles offered by scientific management to job design can be summarized thus: work should be scientifically studied, work should be arranged so that workers can be efficient, employees should be trained to perform the job and monetary compensation should be used to reward successful performance of the job.

These principles to job design seem to be quite rational and appealing because they point towards increased organisational performance. Specialisation and routinisation over a period of time result in job incumbents becoming experts rather quickly, leading to higher levels of output. Despite the assumed gains in efficiency, behavioural scientists have found that some job incumbents dislike specialised and routine jobs.

- 1) **Problems with engineering approach:** After listening to several complaints from employees about their highly specialised jobs, Walker and Guest indicated the problems with job specialisation thus:
- 2) **Repetition:** Employees performed a few tasks repeatedly. This quickly led the employees to become very bored with the job. There was no challenge to the employees to learn anything new or to improve the job.
- 3) **Mechanical pacing:** Assembly line workers were made to maintain a certain regular pace of work. They could not take a break when they needed to, or simply divert their attention to some other aspect of the job or another individual.
- 4) **No end product:** Employees found that they were not turning out any identifiable end product; consequently, they had little pride and enthusiasm in their work.

- 5) **Little social interaction:** Employees complained that because the assembly line demanded constant attention, there was very little opportunity to interact on a casual basis with other employees and share their work experiences, beliefs and sentiments.
- 6) **No input:** Employees also complained that they had little chance to choose the methods by which they performed their jobs, the tools which they used, or the work procedures.

This, of course, created little interest in the job because there was nothing which they could improve or change.

4.7.1 Human Relations Approach

The human relations approach recognised the need to design jobs in an interesting manner. In the past two decades much work has been directed to changing jobs so that job incumbents can satisfy their needs for growth, recognition and responsibility. Herzberg's research popularised the notion of enhancing need satisfaction through what is called job enrichment. One widely publicised approach to job enrichment uses what is called job characteristics model and this has been explained separately in the ensuing section.

According to Herzberg there are two types of factors, viz. (i) motivators like achievements, recognition, work itself, responsibility, advancement and growth and (ii) hygiene factors (which merely maintain the employee on the job and in the organisation) like working conditions, organisational policies, inter-personnel relations, pay and job security.

According to Herzberg, the employee is dissatisfied with the job if maintenance factors to the required degree are not introduced into the job. But, the employee may not be satisfied even if the required maintenance factors are provided. Herzberg feels that the employee will be satisfied with his job and he will be more productive if motivators are introduced into the job content.

4.7.2 The Job Characteristics Approach

The Job Characteristics Theory of Hackman and Oldham states that employees will work hard when they are rewarded for the work they do and when the work gives them satisfaction. Hence, they suggest that motivation, satisfaction and performance should be integrated in the job design. According to this approach, any job can be described in terms of five core job dimensions which are defined as follows:

- 1) **Skill variety:** The degree to which the job requires that workers use a variety of different activities, talents and skills in order to successfully complete the job requirements.
- 2) **Task identity:** The degree to which the job allows workers to complete whole tasks from start to finish, rather than disjointed portions of the job.
- 3) **Task significance:** The degree to which the job significantly impacts the lives of others both within and outside the workplace.
- 4) **Autonomy:** The degree to which the job allows workers freedom in planning and scheduling and the methods used to complete the job.

- 5) **Feedback:** The degree to which the job itself provides workers with clear, direct and understandable knowledge of their performance.

The entire job dimensions impact workers psychologically. The first three dimensions affect whether or not workers view their job as meaningful. Autonomy determines the extent of responsibility workers feel. Feedback allows for feelings of satisfaction for a job well done by providing knowledge of results. Jobs that are high on motivating potential must be high at least in one of the three factors that lead to meaningful work and must be high in both autonomy and feedback and vice versa.

These three critical psychological states lead to the outcome such as

- a) high internal work motivation,
- b) high growth satisfaction,
- c) high quality work performance,
- d) high general job satisfaction,
- e) high work effectiveness and
- f) low absenteeism and turnover.

4.7.3 Socio Technical Systems Approach

The above theories of job design are all concerned with designing individual jobs. The approach taken by the sociotechnical systems method is the design of work systems that foster a meshing of the technical and social aspects of jobs. The term sociotechnical *system* recognises that organisations have boundaries and that transactions occur within the system (and its sub-systems) and between the wider context and dynamics of the environment. It is an extension of sociotechnical theory which provides a richer descriptive and conceptual language for describing, analysing and designing organisations. A sociotechnical system, therefore, often describes a 'thing' as an interlinked, systems based mixture of people, technology and their environment.

Socio technical systems in organisational development is the term for an approach to complex organisational *work design* that recognises the interaction between *people* and *technology* in *workplaces*.

In order to create jobs, which have this supportive relationship, work teams not individual jobs, must be studied. Jobs in the traditional sense are non-existent and instead, each worker plays an assigned role in accomplishing the group's objectives. Redesigning work through sociotechnical systems methods requires the combined efforts of employees, supervisors and union representatives in analysing significant job operations. Jobs are not necessarily designed to be intrinsically motivating; rather, they are designed so that the work is accomplished. Using the sociotechnical approach, the following guidelines have been developed for designing jobs:

A job needs to be reasonably demanding for the individual in terms other than sheer endurance and yet provide some variety (not necessarily novelty).

- Employees need to be able to learn on the job and to go on learning.
- Employees need some minimum area of decision making that they can call their own.

- Employees need some minimal degree of social support and recognition at the workplace.
- Employees need to be able to relate what they do and what they produce to their social life.

Self Assessment Questions

1) Engineering approach to job design.

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2) Discuss the guidelines developed for designing jobs with regard to the socio technical approach.

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4.8. PARTICIPATIVE MANAGEMENT

Type of management in which employees at all levels are encouraged to contribute ideas towards identifying and setting organisational-goals, problem solving, and other decisions that may directly affect them, also called consultative management.

Participative (or participatory) management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organisation in the analysis of problems, development of strategies, and implementation of solutions. Employees are invited to share in the decision-making process of the firm by participating in activities such as setting goals, determining work schedules, and making suggestions. Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles, or quality-of-work-life committees; and soliciting survey feedback.

Participative management, however, involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration and respect. The most extensive form of participative management is direct employee ownership of a company.

Four processes influence participation. These processes create employee involvement as they are pushed down to the lowest levels in an organisation. The farther down these processes move, the higher the level of involvement by employees. The four processes include:

- 1) **Information sharing:** This is concerned with keeping employees informed about the economic status of the company.

- 2) **Training:** This involves raising the skill levels of employees and offering development opportunities that allow them to apply new skills to make effective decisions regarding the organisation as a whole.
- 3) **Employee decision making:** This can take many forms, from determining work schedules to deciding on budgets or processes.
- 4) **Rewards:** This is generally tied to suggestions and ideas as well as performance.

4.8.1 Benefits of Participative Management

A participative management style offers various benefits at all levels of the organisation. By creating a sense of ownership in the company, participative management instills a sense of pride and motivates employees to increase productivity in order to achieve their goals. Employees who participate in the decisions of the company feel like they are a part of a team with a common goal, and find their sense of self-esteem and creative fulfillment heightened.

Managers who use a participative style find that employees are more receptive to change than in situations in which they have no voice. Changes are implemented more effectively when employees have input and make contributions to decisions. Participation keeps employees informed of upcoming events so they will be aware of potential changes. The organisation can then place itself in a proactive mode instead of a reactive one, as managers are able to quickly identify areas of concern and turn to employees for solutions.

Participation helps employees gain a wider view of the organisation. Through training, development opportunities, and information sharing, employees can acquire the conceptual skills needed to become effective managers or top executives. It also increases the commitment of employees to the organisation and the decisions they make.

Creativity and innovation are two important benefits of participative management.

In order for participative management to work, several issues must be resolved and several requirements must be met. First, managers must be willing to relinquish some control to their workers; managers must feel secure in their position in order for participation to be successful. Often managers do not realise that employees' respect for them will increase instead of decrease when they implement a participative management style.

The success of participative management depends on careful planning and a slow, phased approach. Changing employees' ideas about management takes time, as does any successful attempt at a total cultural change from a democratic or autocratic style of management to a participative style. Long-term employees may resist changes, not believing they will last. In order for participation to be effective, managers must be genuine and honest in implementing the program.

Employees must also be willing to participate and share their ideas. Participative management does not work with employees who are passive or simply do not care. Encouragement should be offered in order to accustom employees to the participative approach. One way to help employees engage in the decision-making process is by knowing their individual strengths and capitalising on them. By guiding employees toward areas in which they are knowledgeable, a manager can help to ensure their success.

Before expecting employees to make valuable contributions, managers should provide them with the criteria that their input must meet. This will aid in discarding ideas or suggestions that cannot be implemented, are not feasible, or are too expensive. Managers should also give employees time to think about ideas or alternative decisions. Employees often do not do their most creative thinking on the spot.

Another important element for implementing a successful participative management style is the visible integration of employees' suggestions into the final decision or implementation. Employees need to know that they have made a contribution. Offering employees a choice in the final decision is important because it increases their commitment, motivation, and job satisfaction. The key is to build employee confidence so their ideas and decisions become more creative and sound.

Self Assessment Questions

- 1) Discuss the four process involved in participation.

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- 2) Describe any two benefits of participative management.

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4.9 SECOND ORDER CHANGE IN ORGANISATIONAL DEVELOPMENT

Second Order Change is the deeper changes that frustrate leaders and threaten followers are **planned second-order changes**. These changes **intentionally challenge** widely shared assumptions, **disintegrate** the context of 'organisation' and, in general, **reframe** the social system. This, in turn, generates widespread ambiguity, discontinuity, anxiety, frustration, confusion, paramoia, cynicism and anger as well as temporary dysfunction.

But Hillary's focus in his article is on Second-order Change, and this is where "transformation" is happening in the Church. Second-order Change challenges the existing culture, mission/purpose and organisational paradigm. Hillary stated that:

"Change calls into question the status quo and disrupts the alignment among organisational attributes."

The most disruptive changes second order changes call into question the **entire context** of organisation. **Paradigm change** is therefore not only traumatic in and of itself, but also challenges other attributes and disintegrates the relationship among all domains. The eventual **outcome** of such change is a **'transformed'** or **'renewed'** organisation."

Practitioners and researchers are giving considerable attention to emerging concepts, interventions and areas of application that might be called as second generation or second order change in organisational development. The second order change utilises various organisational development interventions in order to facilitate organisational transformation. The organisational development interventions will be discussed in detail in this unit.

Self Assessment Questions

1) Describe second order change.

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4.10 ORGANISATIONAL DEVELOPMENT INTERVENTIONS

Organisational development interventions refer to the techniques created by organisational development professionals, coaches and mentors to help solve the pressing problems of organisations who seek their services. It is a sequence of activities, actions and events intended to help an organisations improve its performance and effectiveness. Intervention design, or action planning, derives from careful diagnosis and its meant to resolve specific problems and improve particular areas of organisational functioning identified in the diagnosis.

OD interventions vary from standardised programmes that have been developed and used in many organisation to relatively unique programmes tailored to specific organisation or department. Interventions purposely disrupt the status quo; they are deliberate attempts to change an organisation to ward a different and more effective state. There are three major criteria that describe effective intervention in OD:

- 1) The extent to which it fits the needs of the organisation
- 2) The degree to which it is based on causal knowledge of intended out comes and
- 3) The extent to which it transfer change-management competence to organisation members.

The following are the different kinds of organisational development interventions:

- Sensitivity training
- Survey feedback
- development discussion
- Goal setting and planning
- Team building and management objective.
- Managerial grid

- Job enrichment, participative management and quality circles.
- Process consultation intervention
- Inter-group Team-Building Interventions
- Third-Party Peacemaking Interventions
- Structural Interventions

These kinds of intervention can be used in various settings depending on the need of the organisation. Survey feedback intervention provides data and information to all the managers. Information related to the attitude, structure, working conditions will included in the survey. Managers analyse the data pertaining to each and every employee and takes appropriate action. They try to analyse the problem, evaluate the result and correct the problem.

On the other hand, along the consultation process, the consultant meets all departments, work teams, and observes the interaction and skill levels of those working in those areas. Goal setting and planning goals are important for the overall strategic plans for the profitability of the organisation. Managerial grid identifies management behaviour on different ways. It looks into production-oriented factors as well as the employee-oriented factors and combines them to interact with each other. It also gives the structural view of the laboratory training. Managerial grid interventions also relate to the leadership skills.

The growth of any organisation pulls its peoples to change their thinking toward organisational development interventions. People with planned and changed interventions can grow in organisations. An intervention forms the front view of any developed organisation. So it is important to follow and implement creative interventions. In implementing organisational development interventions, it is important to apply criteria to goals, experiment with alternative arrangements, establish inter unit task force, and identify key communicators and fire-able offenses.

Organisational development practitioners may choose the most appropriate organisational development Intervention, to create planned change. The following a few of most common organisational development interventions, that most of the companies practice are:

4.10.1 Applying Criteria to Goals

Here the leadership establishes objective criteria for the outputs of the organisation's goal-setting processes. Then they hold people accountable not only for stating goals against those criteria but also for producing the desired results.

For example, Organisations are implementing the concept of Balanced Scorecard, X-Matrix etc., to capture the goals of the employees, which in turn is helpful in their assessment and mid-term correction of their performance.

4.10.2 Establishing Inter-Unit Task Forces

These groups can cross both functional parts of the organisation (the "silos") as well as employee levels. They are ideally accountable to one person and are appropriately rewarded for completing their assigned task effectively. Then they disband. For example, Organisations have introduced various schemes for rewarding their employees for their performance, like, introducing the concept of Variable

pay in as a part of CTC, Spot Recognition Award, Project bonus, performance bonus etc.,

4.10.3 Experimentation with Alternative Arrangements

Today organisations are subject to “management by best-seller.” The goal in these interventions is to create what is being called a “learning organisation,” one that performs experiments on organisational structure and processes, analyses the results, and builds on them. For example, Organisations today are targeting at streamlining the process of Learning and Development and encouraging the culture of Learning in the organisations.

Targeting achieving mandatory man-days of training for their employees and Introducing the Competency based practices.

4.10.4 Identifying Key Communicators

This is to carefully determine who seems to be “in the know” within the organisation. These people often do not know that they are, in fact, key communicators. This collection of individuals is then fed honest information during critical times, one-on-one and confidentially. For example, Defining the process of Organisational Communication policy - Introducing Top – down and Bottom – up Communication approach - Introducing Employee Forums and Suggestion Box options for employee interaction - Identifying Critical employees in the organisation and making them the Brand Ambassadors of their company.

4.10.5 Identifying “Fireable Offenses”

This intervention deepens the understanding of and commitment to the stated values of the organisation. This facilitates the work of the Top Management to answer the critical question, “If we’re serious about these values, then what might an employee do that would be so affrontive to them that he/she would be fired?” For example, - Publishing and Instilling Values and Beliefs among all employees Introducing Policies like Whistle Blowing, Sexual Harassment etc.,

4.10.6 Invisioning

This is actually a set of interventions that help to “acculturate” everyone in the organisation into an agreed-upon vision, mission, purpose, and values. The interventions might include training, goal setting, organisational survey-feedback, communications planning, etc.

4.10.7 Team Building

This intervention can take many forms. For example, the most common is interviews and other pre-work, followed by a one- to three-day offsite session. During the meeting the group diagnoses its function as a unit and plans improvements in its operating procedures.

4.10.8 Inter-group Problem Solving

This intervention usually involves working with the two groups separately before bringing them together. They establish common goals and negotiate changes in how the groups interface. For example, this is practiced in Product Development Companies and most of the IT and ITES Companies. – Focused group discussion are encouraged by the management, for generating better ideas and concepts.

4.10.9 Management/leadership Training

Many organisational development professionals come from a training background. They understand that organisations cannot succeed long term without well-trained leaders. The organisational development contribution there can be to ensure that the development curriculum emphasises practical, current situations that need attention within the organisation and to monitor the degree to which training delivery is sufficiently participative as to promise adequate transfer of learning's to the job. For example, most of the organisations today are focusing at Leadership Management for their employees.

4.10.10 Setting Up Measurement Systems

The total quality movement emphasises that all work is a part of a process and that measurement is essential for process improvement. The organisational development professional is equipped with tools and techniques to assist leaders and others to create measurement methods and systems to monitor key success indicators. For example, The concepts like Six Sigma, TQM etc. act as Measurements tools for the process followed in the organisation. Further, second-generation or second order organisational development, in particular, has a focus on organisational transformation.

4.10.11 Total Quality Management (TQM)

The past decade has seen a mushrooming of interest in total quality management worldwide, and then perhaps some decline in application as both successes and failures have been reported. Applications that have been successful appear to have some ingredients in common with organisational development efforts.

Ciampa, who acknowledges the pioneering contributions of Joseph Juran, W.Edwards Deming, and Armand Feigenbaum to the development of TQM, provides a clear statement on the relationship between TQM and organisational development. First, his definition: "Total Quality is typically a companywide effort seeking to install and make permanent a climate where employees continuously improve their ability to provide on demand products and services that customers will find of particular value."

Burke also comments on the contribution organisational development can make to TQM efforts. Focusing on the organisational development practitioner, he states: "the quality movement, to be successful, is highly dependent on effective process and process is the organisational development practitioner's most important product."

Self Assessment Questions

- 1) Discuss management/ leadership training as an organisational development intervention.

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- 2) Define Total Quality Management.

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4.11 LET US SUM UP

Wendell L. French, Cecil H. Bell and Robert A. (2006), stated that the pace of technological innovation, company mergers, acquisition, leveraged buyouts, bankruptcies, success stories, downsizings and changes in law has been intensified. At the same time thousands of small companies are born every year. Worldwide rigorous efforts are going on to move from autocratic societies to democratic institutions and making more globalize. These changes create opportunities for organisational development applications but also stretch capabilities of leader and organisational development practitioners to the utmost. In such a context the second order change in organisational development is evolving.

The organisational development practitioners still depend upon first order techniques that are highly relevant to adaptive incremental change, such as action research, a focus on team, team building, the use of facilitator's process of consultation, survey feedback inter-group problem solving, socio-technical system approaches to job design, and participative management. But the present organisational development field is far reaching beyond the first order changes in the sense that many applications of organisational development are now multifaceted. Therefore the second order change in organisational development can be utilised in order to develop interventions and identify different areas of applications and very particularly focus on organisational transformation.

4.12 UNIT END QUESTIONS

- 1) Explain with examples the first order change in organisational development.
- 2) Explain with the second order change in organisational development.
- 3) What is action research? Explain its relevance in organisational development.
- 4) Describe the importance of teams and the process of team building.
- 5) Explain the concepts such as process consultation, survey feedback, and inter group problem solving in organisational development.
- 6) What is job design? Explain the socio-technical systems approach to job design.
- 7) Highlight the importance of participative management in organisational development.

4.13 SUGGESTED READINGS

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