LECTURE NOTES

ON

ORGANISATION DEVELOPMENT

2018 – 2019

II MBA I Semester (JNTUA-R17)

Mr. B.PRATAP, Associate Professor

CHADALAWADA RAMANAMMA ENGINEERING COLLEGE

(AUTONOMOUS)
Chadalawada Nagar, Renigunta Road, Tirupati – 517 506

Department of Management Studies
# Organisational Development

## CHADALAWADA RAMANAMMA ENGINEERING COLLEGE, TIRUPATI (AUTONOMOUS)  
DEPARTMENT OF MANAGEMENT STUDIES

**M.B.A. II year First Semester, Academic Year: 2018-19**

<table>
<thead>
<tr>
<th>Course Name</th>
<th>ORGANISATION DEVELOPMENT (17CE00333)</th>
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</thead>
<tbody>
<tr>
<td>Course Coordinator</td>
<td>B. Pratap</td>
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<tr>
<td>Course Instructor</td>
<td>B. Pratap</td>
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</tbody>
</table>

## SYLLABUS

### Unit - I  
Introduction to Organisation Development


### Unit - II  
Theories of Planned Change


### Unit - III  
OD Practices

- The OD Practitioner - Who is the OD practitioner? - Competencies of an Effective OD Practitioner - The Professional OD Practitioner - Professional Values - Professional Ethics – Individual and interpersonal interventions – Team group interventions – Intergroup and comprehensive interventions

### Unit - IV  
OD Process

- Entering and contracting - Entering into an OD Relationship - Developing a Contract - Interpersonal Process Issues in Entering and Contracting - organisational transformation
Diagnosing organizations - need for diagnostic models – individual diagnosis – group level diagnosis – feedback diagnostic information – future directions of organization development

Reference:
4. J B Mondros and S M Wilson, Organising for Power and Empowerment, Columbia
### LESSON PLAN

**Subject:** ORGANISATION DEVELOPMENT  
**Sub Code:** 17CE00333  
**Class:** II M.B.A  
**Semester:** I  
**Academic Year:** 2018-19

**Name of the faculty:** B.PRATAP

<table>
<thead>
<tr>
<th>Lectures No.</th>
<th>Date</th>
<th>Topics to be covered</th>
<th>Actual Date of completion</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30.07.2018</td>
<td>General Introduction to OD</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>31.07.2018</td>
<td>Concept Of Organisation Development</td>
<td></td>
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<tr>
<td>3</td>
<td>01.08.2018</td>
<td>The Growth and Relevance of Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>03.08.2018</td>
<td>Short History of Organization Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>06.08.2018</td>
<td>Evolution of Organization Development</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Unit – I: Introduction to Organisation Development</strong></td>
<td></td>
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<tr>
<td>6</td>
<td>07.08.2018</td>
<td>The Nature of Planned Change</td>
<td></td>
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<tr>
<td>7</td>
<td>08.08.2018</td>
<td>The Positive Change Model</td>
<td></td>
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<tr>
<td>8</td>
<td>10.08.2018</td>
<td>General Model of Planned Change</td>
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<tr>
<td>9</td>
<td>13.08.2018</td>
<td>Different Types of Planned Change</td>
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<tr>
<td>10</td>
<td>14.08.2018</td>
<td>Critique of Planned Change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>17.08.2018</td>
<td>Techno-Structural Interventions – structural Design</td>
<td></td>
<td></td>
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<tr>
<td>12</td>
<td>20.08.2018</td>
<td>Techno-Structural Interventions – Downsizing</td>
<td></td>
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</tr>
<tr>
<td>13</td>
<td>21.08.2018</td>
<td>Techno-Structural Interventions – Re-engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>27.08.2018</td>
<td>Employee Involvement Interventions - Parallel Structures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>28.08.2018</td>
<td>Employee Involvement Interventions - Total Quality Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>29.08.2018</td>
<td>High-Involvement Organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>31.08.2018</td>
<td>Work Design - The Engineering Approach</td>
<td></td>
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</tr>
<tr>
<td>18</td>
<td>04.09.2018</td>
<td>Work Design - The Motivational Approach</td>
<td></td>
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<tr>
<td>19</td>
<td>05.09.2018</td>
<td>The Socio-Technical Systems Approach</td>
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<td>Lecture No.</td>
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<td>20</td>
<td>07.09.2018</td>
<td>Case Studies - I</td>
<td></td>
<td></td>
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<tr>
<td>21</td>
<td>11.09.2018</td>
<td>Case Studies - II</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Unit – III: OD Practices</strong></td>
<td></td>
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<tr>
<td>22</td>
<td>12.09.2018</td>
<td>Introduction to OD Practitioner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>14.09.2018</td>
<td>Competencies of OD Practitioners</td>
<td></td>
<td></td>
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<tr>
<td>24</td>
<td>17.09.2018</td>
<td>The Professional OD Practitioner</td>
<td></td>
<td></td>
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<tr>
<td>25</td>
<td>18.09.2018</td>
<td>Professional Values</td>
<td></td>
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<td>26</td>
<td>19.09.2018</td>
<td>Professional Ethics</td>
<td></td>
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<tr>
<td>27</td>
<td>21.09.2018</td>
<td>Individual Interventions</td>
<td></td>
<td></td>
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<tr>
<td>28</td>
<td>24.09.2018</td>
<td>Interpersonal Interventions - I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>25.09.2018</td>
<td>Interpersonal Interventions - II</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>26.09.2018</td>
<td>Comprehensive Interventions</td>
<td></td>
<td></td>
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<tr>
<td>31</td>
<td>28.09.2018</td>
<td>Case Studies</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Unit – IV: OD Process</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>10.10.2018</td>
<td>Entering and Contracting : Enter in to OD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>12.10.2018</td>
<td>Entering and Contracting : Enter in to OD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>15.10.2018</td>
<td>Developing a contract</td>
<td></td>
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</tr>
<tr>
<td>35</td>
<td>16.10.2018</td>
<td>Interpersonal Process issues in Entering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>19.10.2018</td>
<td>Interpersonal Process issues in Contracting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>22.10.2018</td>
<td>Organisational Transformation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>23.10.2018</td>
<td>Case Studies - I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>24.10.2018</td>
<td>Case Studies - II</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Unit – V: Diagnosis &amp; Feature of OD</strong></td>
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<tr>
<td>40</td>
<td>26.10.2018</td>
<td>Diagnosing Organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>29.10.2018</td>
<td>Need For Diagnostic Models: Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>30.10.2018</td>
<td>Need For Diagnostic Models: Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>31.10.2018</td>
<td>Individual Level Diagnosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>02.11.2018</td>
<td>Group Level Diagnosis</td>
<td></td>
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</tr>
<tr>
<td>45</td>
<td>05.11.2018</td>
<td>Feedback Diagnostic Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>09.11.2018</td>
<td>Feature Directions in OD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>10.11.2018</td>
<td>Case Studies - I</td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>12.11.2018</td>
<td>Case Studies - II</td>
<td></td>
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</tr>
</tbody>
</table>

**Course Instructor**

**Head of the Dept.**

**Principal**
UNIT - I

INTRODUCTION TO ORGANISATION DEVELOPMENT

Organization development is both a professional field of social action and an area of scientific inquiry. The practice of OD covers a wide spectrum of activities, with seemingly endless variations upon them. Team building with top corporate management, structural change in a municipality, and job enrichment in a manufacturing firm are all examples of OD. Similarly, the study of OD addresses a broad range of topics, including the effects of change, the methods of organizational change, and the factors influencing OD success.

Organization Development (OD) is applied behavioral science. It is a strategy to develop people in the organization. It aims at improving the people side of the organization by planned change. It focuses on people, relationship, policies, procedures, processes, norms, organizational structure and improving the very culture of the organizations. It is a mission initiated by the top managers and practiced down the line in the organizational hierarchy. Total involvement makes OD efforts successful. It must be remembered that organizations are made up of human systems aimed at achieving individual and organizational goals.

DEFINITIONS:

According to Richard Beckhand:

“Organization development is a planned effort, organization wide, and managed from the top, to increase organization effectiveness and health through planned interventions in the organization’s processes, using behavioral-science knowledge.”

According to Warren H. Bennis:

“Organization development (OD) is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets and challenges, and the dizzying rate of change itself. “

According to Warner Burke:
“Organization development is a planned process of change in an organization’s culture through the utilization of behavioral science technology, research, and theory.”

**CONCEPT OF ORGANISATION DEVELOPMENT**

1. **Application of Change**: OD applies to changes in the strategy, structure, and/or processes of an entire system, such as an organization, a single plant of a multi-plant firm, a department or work group, or individual role or job. A change program aimed at modifying an organization’s strategy.

   **Ex**: Focus on how the organization relates to a wider environment and on how those relationships can be improved.

2. **Problem-solving processes**: OD 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 technological innovation or operations management.

   **Ex**: Improvement of particular products or processes or to development of production or service delivery functions.

3. **Application and transfer of behavioral science knowledge and practice**: OD is based on the application and transfer of behavioral science knowledge and practice, including:

   (A) **Micro-concepts**, such as leadership, group dynamics, and work design, and

   (B) **Macro-approaches**, such as strategy, organization design, and international relations.

4. **Managing Planned change**: OD is concerned with managing planned change, but not in the formal sense typically associated with management consulting or project management, which tends to comprise programmatic and expert-driven approaches to change. Rather, OD 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 organizational problems, but such plans are flexible and often
revised as new information is gathered as the change program progresses.

**Ex:** If there was concern about the performance of a set of international
subsidiaries, a reorganization 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.

5. **Design, Implementation, and the subsequent reinforcement of change:** It moves
beyond the initial efforts to implement a change program to a longer-term concern for
appropriately institutionalizing new activities within the organization. For example,
implementing 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 behaviors, but it differs from
other change perspectives that do not address how a change can be institutionalized.

6. **Improving organizational effectiveness:** Effectiveness is best measured along three
dimensions:

   **First,** OD affirms that an effective organization is adaptable; it is able to solve
its own problems and focus attention and resources on achieving key goals. OD helps
organization members gain the skills and knowledge necessary to conduct these
activities by involving them in the change process.

   **Second,** an effective organization has high financial and technical
performance, including sales growth, acceptable profits, quality products and services,
and high productivity. OD helps organizations achieve these ends by leveraging social
science practices to lower costs, improve products and services, and increase
productivity.
**Finally,** an effective organization has satisfied and loyal customers or other external stakeholders and an engaged, satisfied, and learning workforce.

**Characteristics of Organisational Development**

The characteristics of OD implied in its definition and practice are discussed below:

1. **System Orientation:** Organisation development is system oriented. It is concerned with the interactions of the various parts of the organisation which affect each other. It lays stress on intergroup and interpersonal relationship. It is concerned with structure and process as well as attitudes. The basic issue to which it is directed is: How do all of these parts work together to be effective? Emphasis is on how the parts relate, not on the parts themselves.

2. **Use of Change Agent:** Organisation development is generally implemented with the help one or more change agents, whose role is to stimulate, facilitate, and coordinate change. The change agent usually acts as a catalyst, sparking change within the system while remaining somewhat independent of it. Although change agents may be either external or internal, they are usually consultants from outside the company. Advantages of using external change agents are that they are more objective and have diverse experiences. They are also able to operate independently without ties to the hierarchy and politics of the firm.

3. **Problem Solving:** Organisation development is concerned with the problem solving. It seeks to solve the problems through practical experiences gained on the work and not merely through theoretical discussion as in a class room. These problems mainly occur at the time when working on the job; hence the organisational members. This focus on improving problem-solving skills by discussing data-based system problems is called action research. In other words, employees are “learning how to learn” from their experiences, so they can solve new problems in the future.

4. **Experimental Learning:** Organisation development provides experimental learning to help the participants learn new behaviour patterns through experience. They can discuss and analyse their own immediate experience and learn from it. This approach tends to produce more changed behaviour than the traditional lecture and
discussion, in which people talk about abstract ideas. Theory is necessary and desirable, but the ultimate test is how it applies in a real situation.

5. **Human Values**: OD programmes are often based on humanistic values. The values are positive beliefs about the potential and desire for growth among employees. To be effective and self-reviewing, an organisation needs employees who want to increase their skills and contributions. The best climate for this to happen is one that creates opportunities for growth by stressing collaboration, open communications, interpersonal trust, shared power, and constructive conformation. They all provide a value base for OD efforts and help ensure that the organisation will be responsive to human needs.

6. **Contingency Orientation**: Organisation development is situational and contingency oriented. As people learn to develop their behavioural concepts through experience, they can suggest various ways to solve a particular problem and to adapt any of them most suited in the present circumstances. Thus, OD is flexible and pragmatic, adapting actions to fit particular needs.

7. **Levels of interventions**: OD programmes are aimed at solving problems that may occur at the individual, interpersonal group, inter-group and total organisational level. OD interventions are designed for each level as for instance career planning at the individual level, team building at the group level.

8. **Feedback**: Organisation development supports feedback to participants so that they may be able to collect the data on which decisions are based. For this purpose participants may be divided into several groups according to the functions. Each such group takes its own decision on the subjects referred to it, and then, the decisions foreword to the other group for feedback. Each group comes to know the impression of other groups about it and then groups meet together to thrash out any misunderstanding developed among them. In this way, decisions of each group are checked by other groups and the final decision is reached.

**THE GROWTH AND RELEVANCE OF ORGANIZATION DEVELOPMENT**

A. **Growth Scenario**
OD could help an organization to create effective responses to these changes and, in many cases, to proactively influence the strategic direction of the firm. The rapidly changing conditions of the past few years confirm our arguments and accentuate their relevance. According to several observations of the researchers, there are three major trends shaping change in organizations includes globalization, information technology, and managerial innovation.

First, *globalization* is changing the markets and environments in which organizations operate as well as the way they function. New governments, new leadership, new markets, and new countries are emerging and creating a new global economy with both opportunities and threats.

Second, *information technology* is redefining the traditional business model by changing how work is performed, how knowledge is used, and how the cost of doing business is calculated. The way an organization collects, stores, manipulates, uses, and transmits information can lower costs or increase the value and quality of products and services.

*Ex:* Information technology is at the heart of emerging e-commerce strategies and organizations. Amazon.com, Yahoo!, and eBay are among the survivors of a busted dot-com bubble, Google has emerged as a major competitor to Microsoft, and the amount of business being conducted on the Internet is projected to grow at double-digit rates.

Moreover, the underlying rate of innovation is not expected to decline. Electronic data interchange, a state-of-the-art technology application a few years ago is now considered routine business practice. The ability to move information easily and inexpensively throughout and among organizations has fueled the downsizing and restructuring of firms.

Third, *managerial innovation* has responded to the globalization and information technology trends and has accelerated their impact on organizations. New organizational forms, such as networks, strategic alliances, and virtual corporations, provide organizations with new ways of thinking about how to manufacture goods and deliver services.
Ex: The strategic alliance has emerged as one of the indispensable tools in strategy implementation.

No single organization, not even IBM, Mitsubishi, or General Electric, can control the environmental and market uncertainty it faces. In addition, change innovations, such as downsizing or reengineering, have radically reduced the size of organizations and increased their flexibility.

New large-group interventions, such as the search conference and open space, have increased the speed with which organizational change can take place and organization learning interventions have acknowledged and leveraged knowledge as a critical organizational resource.

Managers, OD practitioners, and researchers argue that these forces not only are powerful in their own right but are interrelated. Their interaction makes for a highly uncertain and chaotic environment for all kinds of organizations, including manufacturing and service firms and those in the public and private sectors.

Fortunately, a growing number of organizations are undertaking the kinds of organizational changes needed to survive and prosper in today’s environment. They are making themselves more streamlined and nimble, more responsive to external demands, and more ecologically sustainable. They are involving employees in key decisions and paying for performance rather than for time. They are taking the initiative in innovating and managing change, rather than simply responding to what has already happened.

B. Relevance / Application

- OD plays a key role in helping organizations change themselves. It helps organizations assess themselves and their environments and revitalize and rebuild their strategies, structures, and processes.

- OD helps organization members go beyond surface changes to transform the underlying assumptions and values governing their behaviors. The different concepts and methods discussed in this book increasingly are finding their way
into government agencies, manufacturing firms, multinational corporations, service industries, educational institutions, and not-for-profit organizations.

- OD is obviously important to those who plan a professional career in the field, either as an internal consultant employed by an organization or as an external consultant practicing in many organizations. A career in OD can be highly rewarding, providing challenging and interesting assignments working with managers and employees to improve their organizations and their work lives. In today’s environment, the demand for OD professionals is rising rapidly. For example, large professional services firms must have effective “change management” practices to be competitive. Career opportunities in OD should continue to expand in the United States and abroad.

- OD is 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 departments’ performance. Similarly, all staff specialists, such as financial analysts, engineers, information technologists, or market researchers, are responsible for offering advice and counsel to managers and for introducing new methods and practices.

- OD is important to general managers and other senior executives because OD can help the whole organization be more flexible, adaptable, and effective. Organization development can also help managers and staff personnel perform their tasks more effectively. It can provide the skills and knowledge necessary for establishing effective interpersonal

**SHORT HISTORY OF ORGANIZATION DEVELOPMENT**

Systematic organization development activities have a recent history and, to use the analogy of a mangrove tree, have at least four important trunk stems. One trunk stem consists of innovations in applying laboratory training insights to complex organizations. A second major stem is survey research and feedback methodology. Both stems are intertwined with a third, the emergence of action research. The fourth stem is the emergence of the (Tavistock) socio-technical and socio-clinical approaches. The key actors in these stems interact with each other and are influenced by experiences and concepts from many fields.
1. The Laboratory Training Stem: Laboratory training is essentially unstructured small-group situations in which participants learn from their own actions. It began to develop about 1946 from various experiments in using discussion groups to achieve changes in behavior in back-home situations. In particular, an Inter-Group Relations workshop held at the State Teachers College in New Britain, Connecticut, in the summer of 1946 influenced the emergence of laboratory training. This workshop was sponsored by the Connecticut Interracial Commission and the Research Center for Group Dynamics, then at Massachusetts Institute of Technology (MIT).

2. Survey Research and Feedback: Survey research and feedback, a specialized form of action research constitutes the second major Stem in the history of organization development. It revolves around the techniques and approach developed over a period of years by staff members at the Survey Research Center (SRC) of University of Michigan.

The results of this experimental study lend support to the idea that an intensive, group discussion procedure for utilizing the results of an employee questionnaire survey can be an effective tool for introducing positive change in a business organization. It deals with the system of human relationships as a whole (superior and subordinate can change together) and it deals with each manager, supervisor, and employee in the context of his own job, his own problems, and his own work relationships.

3. Normative Background: The intellectual and practical advances from the laboratory training stem and the action research/survey-feedback stem were followed closely by the belief that a human relations approach represented a “one best way” to manage organizations. This normative belief was exemplified in research that associated Likert’s Participative Management style and Blake and Mouton’s Grid OD program with organizational effectiveness.

The normative approach to change has given way to a contingency view that acknowledges the influence of the external environment, technology, and other forces in determining the appropriate organization design and management practices. Still, Likert’s participative management and Blake and Mouton’s Grid OD frameworks are both used in organizations today.
4. **Productivity and Quality-of-Work-Life Background:** The contribution of the productivity and quality-of-work-life (QWL) background to OD can be described in two phases:

*The first phase* is described by the original projects developed in Europe in the 1950s and their emergence in the United States during the 1960s. Based on the research of Eric Trist and his colleagues at the Tavistock Institute of Human Relations in London, early practitioners in Great Britain, Ireland, Norway, and Sweden developed work designs aimed at better integrating technology and people.

These QWL programs generally involved joint participation by unions and management in the design of work and resulted in work designs giving employees high levels of discretion, task variety, and feedback about results. Perhaps the most distinguishing characteristic of these QWL programs was the discovery of self-managing work groups as a form of work design. These groups were composed of multi-skilled workers who were given the necessary autonomy and information to design and manage their own task performances.

*The second phase* of QWL activity continues primarily under the banner of “employee involvement” (EI) as well as total quality management and six-sigma programs, rather than QWL. For many OD practitioners, the term EI signifies, more than the name QWL, the growing emphasis on how employees can contribute more to running the organization so it can be more flexible, productive, and competitive. Recently, the term “employee empowerment” has been used interchangeably with the term EI, the former suggesting the power inherent in moving decision making downward in the organization. Employee empowerment may be too restrictive, however. Because it draws attention to the power aspects of these interventions, it may lead practitioners to neglect other important elements needed for success, such as information, skills, and rewards. Consequently, EI seems broader and less restrictive than does employee empowerment as a banner for these approaches to organizational improvement.
5. Strategic Change Background: The strategic change background is a recent influence on OD’s evolution. As organizations and their technological, political, and social environments have become more complex and more uncertain, the scale and intricacies of organizational change have increased. This trend has produced the need for a strategic perspective from OD and encouraged planned change processes at the organization level.

**EVOLUTION OF ORGANIZATION DEVELOPMENT**

OD is being carried out in many more countries and in many more organizations operating on a worldwide basis. This is generating a whole new set of interventions as well as adaptations to traditional OD practice. In addition, OD must adapt its methods to the technologies being used in organizations. As information technology continues to influence organization environments, strategies, and structures, OD will need to manage change processes in cyberspace as well as face-to-face. The diversity of this evolving discipline has led to tremendous growth in the number of professional OD practitioners, in the kinds of organizations involved with OD, and in the range of countries within which OD is practiced.

The expansion of the OD Network, which began in 1964, is one indication of this growth. It has grown from 200 members in 1970 to 2,800 in 1992 to 4,031 in 1999 and has remained stable with about 4,000 in 2007. At the same time, Division 14 of the American Psychological Association, formerly known as the Division of Industrial Psychology, has changed its title to the Society for Industrial and Organizational Psychology In 1968, the
American Society for Training & Development set up an OD division, which currently operates as the OD/Leadership Community with more than 2,000 members.

Pepperdine University (http://bschool.pepperdine.edu/programs/msod), Bowling Green State University (http://www.bgsu.edu), and Case Western Reserve University (http://www.cwru.edu) offered the first master’s degree programs in OD in 1975, and Case Western Reserve University began the first doctoral program in OD. Organization development now is being taught at the graduate and undergraduate levels in a large number of universities. In addition to the growth of professional societies and educational programs in OD, the field continues to develop new theorists, researchers, and practitioners who are building on the work of the early pioneers and extending it to contemporary issues and conditions.

The first generation of contributors included Chris Argyris, who developed a learning and action-science approach to OD; Warren Bennis, who tied executive leadership to strategic change; Edie Seashore, who keeps interpersonal relationships and diversity in the forefront of practice; Edgar Schein, who developed process approaches to OD, including the key role of organizational culture in change management; Richard Beckhard, who focused attention on the importance of managing transitions; and Robert Tannenbaum, who sensitized OD to the personal dimension of participants’ lives.

Among the second generation of contributors are Warner Burke, whose work has done much to make OD a professional field; Larry Greiner, who has brought the ideas of power and evolution into the mainstream of OD; Edward Lawler III, who has extended OD to reward systems and employee involvement; Anthony Raia and Newton Margulies, who together have kept our attention on the values underlying OD and what those mean for contemporary practice; and Peter Vaill, Craig Lundberg, Billie Alban, Barbara Bunker, and David Jamieson, who continue to develop OD as a practical science.

Included among the newest generation of OD contributors are Dave Brown, whose work on action research and developmental organizations has extended OD into community and societal change; Thomas Cummings, whose work on socio-technical systems, self-designing organizations, and trans-organizational development has led OD beyond the boundaries of single organizations to groups of organizations and their environments. Max Elden, whose international work in industrial democracy draws attention to the political
aspects of OD; Richard Woodman, William Pasmore, Rami Shani, and Jerry Porras, who have done much to put OD on a sound research and conceptual base; and Peter Block, who has focused attention on consulting skills, empowerment processes, and reclaiming our individuality.

Others making important contributions to the field include Ken Murrell, who has focused attention on the internationalization of OD; Sue Mohrman, who has forged a link between organization design and OD; Chris Worley, who has pushed the integration of OD with strategy and organization design; David Cooperrider and Jim Ludema, who have turned our attention toward the positive aspects of organizations; and Bob Marshak, who alerts us to the importance of symbolic and covert processes during change. These academic contributors are joined by a large number of internal OD practitioners and external consultants who lead organizational change.

Unit – II

THEORIES OF PLANNED CHANGE

The Nature of Planned Change

The pace of global, economic, and technological development makes change an inevitable feature of organizational life. However, change that happens to an organization can be distinguished from change that is planned by its members. Here, the term change will refer to planned change. Organization development is directed at bringing about planned change to increase an organization’s effectiveness. It is generally initiated and implemented by managers, often with the help of an OD practitioner either from inside or outside of the organization. Organizations can use planned change to solve problems, to learn from experience, to reframe shared perceptions, to adapt to external environmental changes, to improve performance, and to influence future changes.

All approaches to OD rely on some theory about planned change. The theories describe the different stages through which planned change may be effected in organizations and explain the process of applying OD methods to help organization members manage change.

Theories of Planned Change

Conceptions of planned change have tended to focus on how change can be implemented in organizations. Called “theories of changing,” these frameworks describe the activities that must take place to initiate and carry out successful organizational change. In this section, we describe and compare three theories of changing: Lewin’s change model, the
action research model, and the positive model. These frameworks have received widespread attention in OD and serve as the primary basis for a general model of planned change.

(A) Lewin’s change model

One of the most famous models for understanding organizational change was developed by Kurt Lewin back in the 1950s. Lewin, a social scientist as well as physicist, deeply explained organizational change with the help of a simple example of changing the shape of a block of ice. Kurt Lewin’s change model consists of three stages: Unfreeze, Change, and Refreeze.

**Stage: 1 - Unfreeze:** Lewin unfreezing stage of change process and it involves preparing the particular organization to accept that change is necessary and it should adopt the change for successful survival. In this stage, organization needs to break down the existing status quo before it can build up a new way of operating. The main thing of unfreeze stage is that organization should develop a compelling message showing why the existing way of doing things cannot continue, and then communicate it throughout the organization.

**Stage: 2 – Change:** This stage also called Transition stage. After the uncertainty created and communicated in organization in the unfreeze stage, now in change stage senior management or employees begin to resolve uncertainty and look for new ways to do things. Management and staff start to believe and act in new ways that support the new direction. Employees of the organizations always take some time to embrace the new direction and participate proactively in the change. In this stage organization need to focus on the specific issue of personal transitions in a changing environment. So, appropriate leadership and reassurance is required for successful management of this stage of Lewin’s Change management model.

Staff will accept the change and contribute well if employees will understand how the changes will benefit them. When the employees will come to know that the change is necessary and will benefit whole organization then they will involve in it and will do their best. Staff of organization needs time to understand the changes and they also need to feel highly connected to the organization throughout the transition period. So time and communication are the two vital keys to success for the changes to occur. When an organization is managing change, the management of organization should keep in mind that it requires a great deal of time and effort.

**Stage: 3- Refreeze:** When the changes are taking shape and employees of the organization have embraced the new ways of working, now it’s time to refreeze. The obvious signs of the refreeze stage are a stable organization chart and consistent job descriptions. Here it needs to help employees and management of the organization to internalize or institutionalize the changes. This means management should make it sure that the changes are used all the time as well as they are incorporated by employees into everyday business.
With a new sense of stability and belonging, employees of the organization will feel confident and comfortable with the new ways of working. Refreezing stage of Change management model is very important. Because without it the employees of the organization get caught in a transition trap where they aren't sure about how things should be done, due to this nothing will ever gets done to full capacity.

(B) Action Research Model

Action research is defined as,

- Systematic collecting research data about an ongoing system relative to some objective, goal or need of the system;
- Feeding this data back in system
- Taking actions by altering selected variables within the system based both on the data and on hypotheses
- Evaluating the results of action by collecting more data

Phases of the model:

- **Problem identification:** This stage usually begins when a key executive in the organization or someone with power and influence senses that the organization has one or more problems that might be alleviated with the help of OD practitioners.

- **Consultation with a behavioral science expert:** During initial contract the consultant or change agent and the client carefully assist each other. The consultant or change agent and client carefully assist each other. The change agent has his or her own
normative, developmental theory or frame of reference and be conscious of these assumptions and values.

- **Data gathering and preliminary diagnosis:** This stage is usually completed by the consultant, often in conjunction with organizational members. The four basic methods of gathering data are: interviews, process observation, questionnaires, and organizational performance data.
Feedback to the key client or group: Since action research is a collaborative activity, the data are feedback to client usually in a group or work team meeting. The feedback step, in which the group is given the information gathered by the consultant, helps the group determine the strengths and weaknesses of the organization or the department under study.

Joint diagnosis of problem: At the point the group discusses the feedback and the focus returns to research as the change agent and the members of group discuss whether this is a problem on which the group intends to work. A close relationship exists among data gathering, feedback and diagnosis because the basic data from the client have been summarized by the consultant and presented to the group for validation and further diagnosis.

Action: The consultant and management jointly agree on further action to be taken. At this stage one cannot be specific about the action to be taken, since this depends on the culture, values and norms of the organization, the diagnosis of the problem and the time and expense of the intervention.

Data gathering after action: Since action research is a cyclical process, data must also be gathered after action has been taken in order to monitor measure and determine the effects of the action and feed the results back to the organization. This in turn may lead to diagnosis and new action.

(C) The Positive Model: The third model of change, the positive model, represents an important departure from Lewin’s model and the action research process. Those models are primarily deficit based they focus on the organization’s problems and how they can be solved so it functions better. The positive model focuses on what the organization is doing right. It helps members understand their organization when it is working at its best and builds off those capabilities to achieve even better results.

The positive model has been applied to planned change primarily through a process called appreciative inquiry (AI), as a “reformist and rebellious” form of social constructionism. AI explicitly infuses a positive value orientation into analyzing and changing organizations. AI encourages a positive orientation to how change is conceived and managed. It promotes broad member involvement in creating a shared vision about the organization’s positive potential. That shared appreciation provides a powerful and guiding image of what the organization could be.

The positive model of planned change involves five phases that are depicted in Figure

Initiate the Inquiry: This first phase determines the subject of change. It emphasizes member involvement to identify the organizational issue they have the most energy to address. If the focus of inquiry is real and vital to organization members, the change process itself will take on these positive attributes.
**Inquire into Best Practices:** This phase involves gathering information about the “best of what is” in the organization. If the topic is organizational innovation, then members help to develop an interview protocol that collects stories of new ideas that were developed and implemented in the organization. The interviews are conducted by organization members; they interview each other and tell stories of innovation in which they have personally been involved. These stories are pulled together to create a pool of information describing the organization as an innovative system.

**Discover the Themes:** In this third phase, members examine the stories, both large and small, to identify a set of themes representing the common dimensions of people’s experiences. No theme is too small to be represented, it is important that all of the underlying mechanisms that helped to generate and support the themes be described. The themes represent the basis for moving from “what is” to “what could be.”

**Envision a Preferred Future:** Members then examine the identified themes, challenge the status quo, and describe a compelling future. Based on the organization’s successful past, members collectively visualize the organization’s
future and develop “possibility propositions” statements that bridge the organization’s current best practices with ideal possibilities for future organizing. These propositions should present a truly exciting, provocative, and possible picture of the future. Based on these possibilities, members identify the relevant stakeholders and critical organization processes that must be aligned to support the emergence of the envisioned future. The vision becomes a statement of “what should be.”

- **Design and Deliver Ways to Create the Future:** The final phase involves the design and delivery of ways to create the future. It describes the activities and creates the plans necessary to bring about the vision. It proceeds to action and assessment phases similar to those of action research described previously. Members make changes, assess the results, make necessary adjustments, and so on as they move the organization toward the vision and sustain “what will be.” The process is continued by renewing the conversations about the best of what is.

**GENERAL MODEL OF PLANNED CHANGE**

The three theories of planned change in organizations described above—Lewin's change model, the action research model, and contemporary adaptations to the action research model—suggest a general framework for planned change, as shown in Figure below. The framework describes the four basic activities that practitioners and organization members jointly carry out in organization development. The arrows connecting the different activities in the model show the typical sequence of events, from entering and contracting, to diagnosing, to planning and implementing change, to evaluating and institutionalizing change. The lines connecting the activities emphasize that organizational change is not a straightforward, linear process but involves considerable overlap and feedback among the activities.
Entering and Contracting:

The first set of activities in planned change concerns entering and contracting. Those events help managers decide whether they want to engage further in a planned change program and to commit resources to such a process. Entering an organization involves gathering initial data to understand the problems facing the organization or the positive opportunities for inquiry. Once this information is collected, the problems or opportunities are discussed with managers and other organization members to develop a contract or agreement to engage in planned change.

The contract spells out future change activities, the resources that will be committed to the process, and how practitioners of OD and organization members will be involved. In many cases, organizations do not get beyond this early stage of planned change because disagreements about the need for change surface, resource constraints are encountered, or other methods for change appear more feasible. When OD is used in nontraditional and international settings, the entering and contracting process must be sensitive to the context in which the change is taking place.

Diagnosing:

In this stage of planned change, the client system is carefully studied. Diagnoses can focus on understanding organizational problems, including their causes and consequences, or on identifying the organization's positive attributes. The diagnostic process is one of the most important activities in OD. It includes choosing an appropriate model for understanding the organization and gathering, analyzing, and feeding back information to managers and organization members about the problems or opportunities that exist.

Diagnostic models for analyzing problems explore three levels of activities. Organization issues represent the most complex level of analysis and involve the total system. Group-level issues are associated with department and group effectiveness. Individual-level issues involve the way jobs are designed.

Gathering, analyzing, and feeding back data are the central change activities in diagnosis. Describes how data can be gathered through interviews, observations, survey instruments, or such archival sources as meeting minutes and organization charts. It also explains how data can be reviewed and analyzed. Organization members, often in collaboration with an OD practitioner, jointly discuss the data and their implications for change.
Planning and Implementing Change:

In this stage, organization members and practitioners jointly plan and implement OD interventions. They design interventions to achieve the organization's vision or goals and make action plans to implement them. There are several criteria for designing interventions, including the organization's readiness for change, its current change capability, its culture and power distributions, and the change agent's skills and abilities. Depending on the outcomes of diagnosis, there are four major types of interventions in OD:

- Human process interventions at the individual, group, and total system levels.
- Interventions that modify an organization's structure and technology.
- Human resource interventions that seek to improve member performance and wellness.
- Strategic interventions that involve managing the organization's relationship to its external environment and the internal structure and process necessary to support a business strategy.

Implementing interventions is concerned with managing the change process. It includes motivating change, creating a desired future vision of the organization, developing political support, managing the transition toward the vision, and sustaining momentum for change.

Evaluating and Institutionalizing Change:

The final stage in planned change involves evaluating the effects of the intervention and managing the institutionalization of successful change programs. Feedback to organization members about the intervention's results provides information about whether the changes should be continued, modified, or suspended. Institutionalizing successful changes involves reinforcing them through feedback, rewards, and training. It demonstrates how traditional planned change activities, such as entry and contracting, survey feedback, and change planning, can be combined with contemporary methods, such as large-group interventions and high levels of participation.

DIFFERENT TYPES OF PLANNED CHANGE

The general model of planned change describes how the OD process typically unfolds in organizations. In actual practice, the different phases are not nearly as orderly as the model implies. OD practitioners tend to modify or adjust the stages to fit the needs of the situation. Steps in
planned change may be implemented in a variety of ways, depending on the client's needs and goals, the change agent's skills and values, and the organization's context. Thus, planned change can vary enormously from one situation to another.

To understand the differences better, planned change can be contrasted across situations on three key dimensions: the magnitude of organizational change, the degree to which the client system is organized, and whether the setting is domestic or international

1. **Magnitude of Change:** Planned change efforts can be characterized as falling along a continuum ranging from incremental changes that involve fine-tuning the organization to quantum changes that entail fundamentally altering how it operates.

   - **Incremental changes** tend to involve limited dimensions and levels of the organization, such as the decision-making processes of work groups. They occur within the context of the organization's existing business strategy, structure, and culture and are aimed at improving the status quo.

   - **Quantum changes** on the other hand, are directed at significantly altering how the organization operates. They tend to involve several organizational dimensions, including structure, culture, reward systems, information processes, and work design. They also involve changing multiple levels of the organization, from top-level management through departments and work groups to individual jobs.

2. **Degree of Organization:**

   Planned change efforts also can vary depending on the degree to which the organization or client system is organized. In **over organized** situations, such as in highly mechanistic, bureaucratic organizations, various dimensions such as leadership styles, job designs, organization structure, and policies and procedures are too rigid and overly defined for effective task performance. Communication between management and employees is typically suppressed, conflicts are avoided, and employees are apathetic.

   In **under-organized organizations**, on the other hand, there is too little constraint or regulation for effective task performance. Leadership, structure, job design, and policy are poorly defined and fail to control task behaviors effectively. Communication is fragmented, job responsibilities are ambiguous, and employees' energies are dissipated because they lack direction.
Under-organized situations are typically found in such areas as product development, project management, and community development, where relationships among diverse groups and participants must be coordinated around complex, uncertain tasks.

In over-organized situations, where much of OD practice has historically taken place, planned change is generally aimed at loosening constraints on behavior. Changes in leadership, job design, structure, and other features are designed to liberate suppressed energy, to increase the flow of relevant information between employees and managers, and to promote effective conflict resolution.

When applied to organizations facing problems in being under-organized, planned change is aimed at increasing organization by clarifying leadership rules, structuring communication between managers and employees, and specifying job and departmental responsibilities.

3. Domestic vs. International Settings:

Planned change efforts traditionally have been applied in North American and European settings but increasingly are used outside of those cultures. Developed in western societies, the action research model reflects the underlying values and assumptions of these geographic settings, including equality, involvement, and short-term time horizons. Under such conditions, the action research model works quite well. In other societies, however, a very different set of cultural values and assumptions may operate and make the application of OD problematic.

For example, the cultures of most Asian countries are more hierarchical and status conscious, are less open to discussing personal issues, more concerned with saving "face," and have a longer time horizon for results. Even when the consultant is aware of the cultural norms and values that permeate the society; those cultural differences make the traditional action research steps more difficult for a North American or European consultant to implement.

The cultural values that guide OD practice in the United States, for example, include a tolerance for ambiguity, equality among people, individuality, and achievement motives. An OD process that encourages openness among individuals, high levels of participation, and actions that promote increased effectiveness are viewed favorably. The OD practitioner is also assumed to hold those values and to model them in the conduct of planned change. Most reported cases of OD involve western-based organizations using practitioners trained in the traditional model and raised and experienced in western society.
To be successful, they must develop a keen awareness of their own cultural biases, be open to seeing a variety of issues from another perspective, be fluent in the values and assumptions of the host country, and understand the economic and political context of business there. Most OD practitioners are not able to meet all of those criteria and adopt a "cultural guide," often a member of the organization, to help navigate the cultural, operational, and political nuances of change in that society.

CRITIQUE OF PLANNED CHANGE

Critics of OD have pointed out several problems with the way planned change has been conceptualized and practiced.

A. Conceptualization of Planned Change: Planned change has typically been characterized as involving a series of activities for carrying out effective organization development. Although current models outline a general set of steps to be followed, considerably more information is needed to guide how those steps should be performed in specific situations.

The planned change activities should be guided by information about (1) the organizational features that can be changed, (2) the intended outcomes from making those changes, (3) the causal mechanisms by which those outcomes are achieved, and (4) the contingencies upon which successful change depends.

A related area where current thinking about planned change is deficient is knowledge about how the stages of planned change differ across situations. Most models specify a general set of steps that are intended to be applicable to most change efforts. We know how change activities can vary depending on such factors as the magnitude of change, the degree to which the client system is organized, and whether change is being conducted in a domestic or an international setting.

Considerably more effort needs to be expended identifying situational factors that may require modifying the general stages of planned change. That would likely lead to a rich array of planned change models, each geared to a specific set of situation al conditions. Such contingency thinking is sorely needed in planned change. Planned change also tends to be described as a rationally controlled, orderly process.
Critics have argued that although this view may be comforting, it is seriously misleading. They point out that planned change has a more confused quality, often involving shifting goals, discontinuous activities, surprising events, and unexpected combinations of changes.

*For example*, managers often initiate changes without clear plans that clarify their strategies and goals. As change unfolds, new stakeholders may emerge and demand modifications reflecting previously unknown or unvoiced needs. Those emergent conditions make planned change a far more disorderly and dynamic process than is customarily portrayed, and conceptions need to capture that reality.

Finally, the relationship between planned change and organizational performance and effectiveness is not well understood. OD traditionally has had problems assessing whether interventions are producing observed results. The complexity of the change situation, the lack of sophisticated analyses, and the long time periods for producing results have contributed to weak evaluation of OD efforts. In the absence of rigorous assessment and measurement, it is difficult to make resource allocation decisions about change programs and to know which interventions are most effective in certain situations.

**B. Practice of Planned Change:**

Critics have suggested several problems with the way planned change is carried out. Their concerns are not with the planned change model itself but with how change takes place and with the qualifications and activities of OD practitioners. A growing number of OD practitioners have acquired skills in a specific technique, such as team building, total quality management. Some OD practitioners favor particular techniques and ignore other strategies that might be more appropriate, tending to interpret organizational problems as requiring the favored technique.

Effective change depends on a careful diagnosis of how the organization is functioning. Diagnosis identifies the underlying causes of organizational problems, such as poor product quality and employee dissatisfaction, or determines the positive opportunities that need to be promoted. It requires both time and money, and some organizations are not willing to make the necessary investment.
In situations requiring complex organizational changes, planned change is a long term process involving considerable innovation and learning on-site. It requires a good deal of time and commitment and a willingness to modify and refine changes as the circumstances require. Some organizations demand more rapid solutions to their problems and seek quick fixes from experts. Unfortunately, some OD consultants are more than willing to provide quick solutions. They sell prepackaged programs for organizations to adopt. Those programs appeal to managers because they typically include an explicit recipe to be followed, standard training materials, and clear time and cost boundaries. The quick fixes have trouble gaining wide organizational support and commitment.

Other organizations have not recognized the systemic nature of change. Too often, they believe that intervention into one aspect or sub-part of the organization will be sufficient to reorganize the problems, and they are unprepared for the other changes that may be necessary to support a particular intervention. Changing any one part or feature of an organization often requires adjustments in the other parts to maintain an appropriate alignment. Thus, although quick fixes and change programs that focus on only one part or aspect of the organization may resolve some specific problems, they generally do not lead to complex organizational change or increase members’ capacity to carry out change.

**TECHNO-STRUCTURAL INTERVENTIONS**

These interventions deal with an organization’s technology (for example, its task methods and job design) and structure (for example, division of labor and hierarchy). These methods are becoming popular in OD because of the growing problems relating to productivity and organizational effectiveness. These interventions are rooted in the disciplines of engineering, sociology, and psychology and in the applied fields of socio-technical systems and organization design.

**Restructuring Organizations**

Interventions aimed at *structural design* include moving from more traditional ways of dividing the organization’s overall work such as functional, divisional, and matrix structures, to more integrative and flexible forms, such as process, customer-centric, and network structures. Diagnostic guidelines help determine which structure is appropriate for particular organizational environments, technologies, and conditions.
Downsizing seeks to reduce costs and bureaucracy by decreasing the size of the organization. This reduction in personnel can be accomplished through layoffs, organization redesign, and outsourcing, which involves moving functions that are not part of the organization’s core competence to outside contractors. Successful downsizing is closely aligned with the organization’s strategy.

Reengineering radically redesigns the organization’s core work processes to give tighter linkage and coordination among the different tasks. This work-flow integration results in faster, more responsive task performance. Reengineering often is accomplished with new information technology that permits employees to control and coordinate work processes more effectively.

1. Structural Design: This change process concerns the organization’s division of labor, how to specialize task performances. Interventions aimed at structural design include moving from more traditional ways of dividing the organization’s overall work (such as functional, self-contained-unit, and matrix structures) to more integrative and flexible forms (such as process-based and network-based structures). Diagnostic guidelines exist to determine which structure is appropriate for particular organizational environments, technologies, and conditions. This was shown in the following figure:

![Diagram of Structural Design](image)

**Functional Structure**

Functional Structure is the process of grouping activities by functions performed. Activities can be grouped according to function (work being done) to pursue economies of scale by placing
employees with shared skills and knowledge into departments for example human resources, finance, production, and marketing. Functional structure can be used in all types of organizations.

The functional structure tends to work best in small- to medium-size firms in environments that are relatively stable and certain. These organizations typically have a small number of products or services, and coordination across specialized units is relatively easy. This structure also is best suited to routine technologies in which there is interdependence within functions, and to organizational goals emphasizing efficiency and technical quality.

Advantages:

- Advantage of specialization
- Easy control over functions
- Pinpointing training needs of manager
- It is very simple process of grouping activities.

Disadvantages:

- Lack of responsibility for the end result
- Overspecialization or lack of general management
- It leads to increase conflicts and coordination problems among departments.

Contingencies:

- Stable and certain environment
- Small to medium size
- Routine technology, interdependence within functions
- Goals of efficiency and technical quality
The Divisional Structure

The divisional structure represents a fundamentally different way of organizing. It groups organizational activities on the basis of products, services, customers, or geography. All or most of the resources and functions necessary to accomplish a specific objective are set up as a division headed by a product or division manager. A typical division structure is shown in Figure. It is interesting to note that the formal structure within a self-contained unit often is functional in nature.

Advantages

- Recognizes sources of interdepartmental dependencies
- Fosters an orientation toward overall outcomes and clients
- Allows diversification and expansion of skills and training
- Ensures accountability by departmental managers and so promotes delegation of authority and responsibility
- Heightens departmental cohesion and involvement in work

Disadvantages

- May use skills and resources inefficiently
- Limits career advancement by specialists to movements out of their departments
- Impedes specialists’ exposure to others within the same specialties
- Puts multiple-role demands on people and so creates stress
- May promote departmental objectives, as opposed to overall organizational objectives
Contingencies:

- Unstable and uncertain environments
- Large size
- Technological interdependence across functions
- Goals of product specialization and innovation

The Matrix Structure

In actual practice, no single pattern of grouping activities is applied in the organization structure with all its levels. Different bases are used in different segments of the enterprise. Composite or hybrid method forms the common basis for classifying activities rather than one particular method. One of the mixed forms of organization is referred to as matrix or grid organization’s. According to the situations, the patterns of Organizing varies from case to case.

The form of structure must reflect the tasks, goals and technology if the originations the type of people employed and the environmental conditions that it faces. It is not unusual to see firms that utilize the function and project organization combination. The same is true for process and project as well as other combinations. For instance, a large hospital could have an accounting department, surgery department, marketing department, and a satellite center project team that make up its organizational structure.

Advantages

- Efficiently manage large, complex tasks
- Effectively carry out large, complex tasks

Disadvantages

- Requires high levels of coordination
- Conflict between bosses
- Requires high levels of management skills

Contingencies:

- Dual focus on unique product demands and technical specialization
- Pressure for high information-processing capacity
2. Downsizing:

Downsizing refers to interventions aimed at reducing the size of the organization. This typically is accomplished by decreasing the number of employees through layoffs, attrition, redeployment, or early retirement or by reducing the number of organizational units or managerial levels through divestiture, outsourcing, reorganization, or delayering. In practice, downsizing generally involves layoffs where a certain number or class of organization members is no longer employed by the organization. Although traditionally associated with lower-level workers, downsizing increasingly has claimed the jobs of staff specialists, middle managers, and senior executives.

An important consequence of downsizing has been the rise of the contingent workforce. In companies like Cisco or Motorola, less expensive temporary or permanent part-time workers often are hired by the same organizations that just lay off thousands of employees.

Downsizing is generally a response to at least four major conditions. First, it is associated increasingly with mergers and acquisitions. Second, it can result from organization decline caused by loss of revenues and market share and by technological and industrial change. Third, downsizing can occur when organizations implement one of the new organizational structures. Fourth, downsizing can result from beliefs and social pressures that smaller is better.

Application Stages: Successful downsizing interventions tend to proceed by the following steps:
Clarify the Organization’s Strategy. As a first step, organization leaders specify corporate and business strategy and communicate clearly how downsizing relates to it. They seek to inform members that downsizing is not a goal in itself, but a restructuring process for achieving strategic objectives. Leaders need to provide visible and consistent support throughout the process. They can provide opportunities for members to voice their concerns, ask questions, and obtain counseling if necessary.

Assess Downsizing Options and Make Relevant Choices. Once the strategy is clear, the full range of downsizing options can be identified and assessed and implemented through three primary downsizing methods: workforce reduction, organization redesign, and systemic change. A specific downsizing strategy may use elements of all three approaches. Workforce reduction is aimed at reducing the number of employees, usually in a relatively short timeframe. It can include attrition, retirement incentives, outplacement services, and layoffs. Organization redesign attempts to restructure the firm to prepare it for the next stage of growth. This is a medium-term approach that can be accomplished by merging organizational units, eliminating management layers, and redesigning tasks. Systemic change is a longer-term option aimed at changing the culture and strategic orientation of the organization. It can involve interventions that alter the responsibilities and work behaviors of everyone in the organization and that promote continual improvement as a way of life in the firm.

Implement the Changes. This stage involves implementing methods for reducing the size of the organization. Several practices characterize successful implementation. First, downsizing is best controlled from the top down. Many difficult decisions are required, and a broad perspective helps to overcome people’s natural instincts to protect their enterprise or function. Second, specific areas of inefficiency and high cost need to be identified and targeted. The morale of the organization can be hurt if areas commonly known to be redundant are left untouched. Third, specific actions should be linked to the organization’s strategy. Organization members need to be reminded consistently that restructuring activities are part of a plan to improve the organization’s performance. Finally, communicate frequently using a variety of media. This keeps people informed, lowers their anxiety over the process, and makes it easier for them to focus on their work.

Address the Needs of Survivors and Those Who Leave. Most downsizing eventually involves reduction in the size of the workforce, and it is important to support not only employees who remain with the organization but also those who leave. Organizations can address these survivor concerns with communication processes that increase the amount and frequency of information provided. Communication should shift from explanations about who left or why to clarification of where the company is going, including its visions, strategies, and goals. The linkage between employees’ performance and strategic success is emphasized so that remaining members feel they
are valued. Organizations also can support survivors through training and development activities that prepare them for the new work they are being asked to perform. Senior management can promote greater involvement in decision making, thus reinforcing the message that people are important to the future success and growth of the organization.

❖ **Follow Through with Growth Plans.** This final stage of downsizing involves implementing an organization renewal and growth process. Failure to move quickly to implement growth plans is a key determinant of ineffective downsizing.

3. **Re-engineering:**

This recent intervention radically redesigns the organization’s more work processes to create tighter linkage and coordination among the different tasks. This workflow integration results in faster, more responsive task performance. Reengineering is often accomplished with a new information technology that permits employees to control and coordinate work processes more effectively.

**Application Stages**

❖ **Prepare the Organization.** Reengineering begins with clarification and assessment of the organization’s context, including its competitive environment, strategy, and objectives. This effort establishes and communicates the need for reengineering and the strategic direction that the process should follow.

❖ **Fundamentally Rethink the Way Work Gets Done.** This step lies at the heart of reengineering and involves these activities: identifying and analyzing core business processes, defining their key performance objectives, and designing new processes. These tasks are the real work of reengineering and typically are performed by a cross-functional design team who is given considerable time and resources to accomplish them.

(a) **Identify and analyze core business processes.** Core processes are considered essential for strategic success. They include activities that transform inputs into valued outputs. Core processes typically are assessed through development of a process map that identifies the three to five activities required to deliver an organization’s products or services.

Analysis of core business processes can include assigning costs to each of the major phases of the work flow to help identify costs that may be hidden in the activities of
the production process. Traditional cost-accounting systems do not store data in process terms; they identify costs according to categories of expense, such as salaries, fixed costs, and supplies.

(b) Define performance objectives. Challenging performance goals are set in this step. The highest possible level of performance for any particular process is identified, and dramatic goals are set for speed, quality, cost, or other measures of performance. These standards can derive from customer requirements or from benchmarks of the best practices of industry leaders.

(c) Design new processes. This task involves designing new business processes to achieve breakthrough goals. Design according to the following guidelines:

- Begin and end the process with the needs and wants of the customer.
- Simplify the current process by combining and eliminating steps.
- Use the “best of what is” in the current process.
- Attend to both technical and social aspects of the process.
- Do not be constrained by past practice.
- Identify the critical information required at each step in the process.
- Perform activities in their most natural order.
- Assume the work gets done right the first time.
- Listen to people who do the work.

Restructure the Organization Around the New Business Processes. This last step in reengineering involves changing the organization’s structure to support the new business processes. This endeavor typically results in the kinds of process-based structures that were described earlier in this chapter. Reengineered organizations typically have the following characteristics:

EMPLOYEE INVOLVEMENT INTERVENTIONS

Employee involvement is the current label used to describe a set of practices and philosophies that started with the quality-of-work-life movement in the late 1950s.

Working Definition of Employee Involvement: Employee involvement seeks to increase members’ input into decisions that affect organization performance and employee well-being. It can be described in terms of four key elements that promote worker involvement:
Power: This element of EI includes providing people with enough authority to make work-related decisions covering various issues such as work methods, task assignments, performance outcomes, customer service, and employee selection. The amount of power afforded employees can vary enormously, from simply asking them for input into decisions that managers subsequently make, to managers and workers jointly making decisions, to employees making decisions themselves.

Information: Timely access to relevant information is vital to making effective decisions. Organizations can promote EI by ensuring that the necessary information flows freely to those with decision authority. This can include data about operating results, business plans, competitive conditions, new technologies and work methods, and ideas for organizational improvement.

Knowledge and skills: Employee involvement contributes to organizational effectiveness only to the extent that employees have the requisite skills and knowledge to make good decisions. Organizations can facilitate EI by providing training and development programs for improving members’ knowledge and skills. Such learning can cover an array of expertise having to do with performing tasks, making decisions, solving problems, and understanding how the business operates.

Rewards: Because people generally do those things for which they are recognized, rewards can have a powerful effect on getting people involved in the organization. Meaningful opportunities for involvement can provide employees with internal rewards, such as feelings of self-worth and accomplishment. External rewards, such as pay and promotions, can reinforce EI when they are linked directly to performance outcomes that result from participation in decision making.

To the extent that the above all four elements are made available throughout, and especially in the lower levels of the organization, the greater the employee involvement. Furthermore, because the four elements of EI are interdependent, they must be changed together to obtain positive results.

Employee Involvement Applications

(A) Parallel Structures:

Parallel structures involve members in resolving ill-defined, complex problems and build adaptability into bureaucratic organizations. Also known as “collateral structures,” “dualistic structures,” or “shadow structures,” parallel structures operate in conjunction with the formal organization. They provide members with an alternative setting in which to address problems and to propose innovative solutions free from the existing, formal organization structure and culture.
For example, members may attend periodic off-site meetings to explore ways to improve quality in their work area or they may be temporarily assigned to a special project or facility to devise new products or solutions to organizational problems.

Parallel structures facilitate problem solving and change by providing time and resources for members to think, talk, and act in completely new ways. Consequently, norms and procedures for working in parallel structures are entirely different from those of the formal organization.

(B) Total Quality Management

Total quality management (TQM) is a more comprehensive approach to employee involvement. Also known as “continuous process improvement,” “continuous quality,” “lean,” and “six-sigma,” TQM grew out of a manufacturing emphasis on quality control and represents a long-term effort to orient all of an organization’s activities around the concept of quality. Quality is achieved when organizational processes reliably produce products and services that meet or exceed customer expectations. Although it is possible to implement TQM without employee involvement, member participation in the change process increases the likelihood of sustaining the results.

TQM increases workers’ knowledge and skills through extensive training, provides relevant information to employees, pushes decision-making power downward in the organization, and ties rewards to performance. When implemented successfully, TQM also is aligned closely with a firm’s overall business strategy and attempts to direct the entire organization toward continuous quality improvement.

Application Stages: TQM typically is implemented in five major steps. With the exception of gaining senior management commitment, most of the steps can occur somewhat concomitantly.

- **Gain Long-Term Senior Management Commitment.** This stage involves helping senior executives understand the importance of long-term commitment to TQM. Without a solid understanding of TQM and the key success factors for implementation, managers often believe that workers are solely responsible for quality. Senior managers’ role in TQM implementation includes giving direction and support throughout the change process. Top executives also must be willing to allocate significant resources to TQM implementation, particularly to make large investments in training.

- **Train Members in Quality Methods:** TQM implementation requires extensive training in the principles and tools of quality improvement. Depending on the organization’s size and complexity, such training can be conducted in a few weeks to more than two years. Members typically learn problem-solving skills and simple statistical process control (SPC) techniques, usually referred to as the seven tools of quality.

- **Start Quality Improvement Projects:** In this phase of TQM implementation, individuals and work groups apply the quality methods to identify the few projects that hold promise for the largest improvements in organizational processes. They identify output variations, intervene to minimize deviations from quality standards, monitor improvements, and repeat
this quality improvement cycle indefinitely. Identifying output variations is a key aspect of TQM. Such deviations from quality standards typically are measured by the percentage of defective products or, in the case of customer satisfaction, by on-time delivery percentages or customer survey ratings.

- **Measure Progress**: This stage of TQM implementation involves measuring organizational processes against quality standards. Knowing and analyzing the competition’s performance are essential for any TQM effort because it sets minimum standards of quality, cost, and service and ensures the organization’s position in the industry over the short run. For the longer term, such analytical efforts concentrate on identifying world-class performance, regardless of industry, and creating stretch targets, also known as benchmarks. Benchmarks represent the best in organizational achievements and practices for different processes and generally are accepted as “world class.”

- **Rewarding Accomplishment**: In this final stage of TQM implementation, the organization links rewards to improvements in quality. TQM rewards members for “process-oriented” improvements, such as increased on-time delivery, gains in customers’ perceived satisfaction with product performance, and reductions in cycle time, the time it takes a product or service to be conceived, developed, produced, and sold. Rewards usually are designed initially to promote finding solutions to the organization’s key problems. The linkage between rewards and process oriented improvements reinforces the belief that continuous improvements.

(C) High-Involvement Organizations

Over the past two decades, an increasing number of employee involvement projects have been aimed at using high-involvement work practices to create high-involvement organizations (HIOs). These interventions create organizational conditions that support high levels of employee participation. What makes HIOs unique is the comprehensive nature of their design process. Unlike parallel structures that do not alter the formal organization or TQM interventions that tend to focus on particular processes, HIOs address almost all organization features. Structure, work design, information and control systems, physical layout, personnel policies, and reward systems are designed jointly by management and workers to promote high levels of involvement and performance.

Features of High-Involvement Organizations

- **Flat, lean organization structures** contribute to involvement by pushing the scheduling, planning, and controlling functions typically performed by management and staff groups toward the shop floor. Similarly, mini-enterprise, team-based structures those are oriented to a common purpose or outcome help focus employee participation on a shared objective. Participative structures, such as work councils and union–management committees, create conditions in which workers can influence the direction and policies of the organization.
 **Job designs** that provide employees with high levels of discretion, task variety, and meaningful feedback can enhance involvement. They enable workers to influence day-to-day workplace decisions and to receive intrinsic satisfaction by performing work under enriched conditions. Self-managed teams encourage employee responsibility by providing cross-training and job rotation, which give people a chance to learn about the different functions contributing to organizational performance.

 **Open information systems** that are tied to jobs or work teams provide the necessary information for employees to participate meaningfully in decision making. Goals and standards of performance that are set participatively can provide employees with a sense of commitment and motivation for achieving those objectives.

 **Career systems** that provide different tracks for advancement and counseling to help people choose appropriate paths can help employees plan and prepare for long-term development in the organization. Open job posting, for example, makes employees aware of jobs that can further their development.

 **Selection** of employees for HIOs can be improved through a realistic job preview providing information about what it will be like to work in such situations. Team member involvement in a selection process oriented to potential and process skills of recruits can facilitate a participative climate.

 **Training** employees for the necessary knowledge and skills to participate effectively in decision making is a heavy commitment in HIOs. This effort includes education on the economic side of the enterprise, as well as interpersonal skill development. Peer training is emphasized as a valuable adjunct to formal, expert training.

 **Reward systems** can contribute to EI when information about them is open and the rewards are based on acquiring new skills, as well as on sharing gains from improved performance. Similarly, participation is enhanced when people can choose among different fringe benefits and when reward distinctions among people from different hierarchical levels are minimized.

 **Personnel policies** that are participatively set and encourage stability of employment provide employees with a strong sense of commitment to the organization. People feel that the policies are reasonable and that the firm is committed to their long term development.

 **Physical layouts** of organizations also can enhance EI. Physical designs that support team structures and reduce status differences among employees can reinforce the egalitarian climate needed for employee participation. Safe and pleasant working conditions provide a physical environment conducive to participation.
WORK DESIGN

Three approaches to work design. **First**, the *engineering approach* focuses on efficiency and simplification, and results in traditional job and work-group designs. Traditional jobs involve relatively routine and repetitive forms of work, where little interaction among people is needed to produce a service or product. Call center operators, data-entry positions, and product support representatives are examples of this job design. Traditional work groups are composed of members performing routine yet interrelated tasks. Member interactions are typically controlled by rigid work flows, supervisors, and schedules, such as might be found on assembly lines.

A **second** approach to work design rests on *motivational theories* and attempts to enrich the work experience. Job enrichment involves designing jobs with high levels of meaning, discretion, and knowledge of results. A well researched model focusing on job attributes has helped clear up methodological problems with this important intervention.

The **third** and most recent approach to work design derives from *socio-technical systems methods*, and seeks to optimize both the social and the technical aspects of work systems. This method has led to a popular form of work design called “self-managed teams,” which are composed of multi-skilled members performing interrelated tasks. Members are given the knowledge, information, and power necessary to control their own task behaviors with relatively little external control. New support systems and supervisory styles are needed to manage them.

**(A) THE ENGINEERING APPROACH:** The oldest and most prevalent approach to designing work is based on engineering concepts and methods. It proposes that the most efficient work designs can be determined by clearly specifying the tasks to be performed, the work methods to be used, and the work flow among individuals. The engineering approach is based on the pioneering work of Frederick Taylor, the father of scientific management. He developed methods for analyzing and designing work and laid the foundation for the professional field of industrial engineering.

The engineering approach scientifically analyzes workers’ tasks to discover those procedures that produce the maximum output with the minimum input of energies and resources. This generally results in work designs with high levels of specialization and specification. Such designs have several benefits: They allow workers to learn tasks rapidly; they permit short work cycles so performance can take place with little or no mental effort; and they reduce costs because lower-skilled people can be hired and trained easily and paid relatively low wages.

The engineering approach produces two kinds of work design: traditional jobs and traditional work groups. When the work can be completed by one person, such as with bank tellers and telephone operators, traditional jobs are created. These jobs tend to be simplified, with routine and repetitive tasks having clear specifications concerning time and motion. When the work requires coordination among people, such as on automobile assembly lines, traditional work groups are developed. They are composed of members performing relatively routine yet related tasks. The overall group task is typically broken into simpler, discrete parts (often called jobs). The tasks and
work methods are specified for each part, and the parts are assigned to group members. Each member performs a routine and repetitive part of the group task.

(B) THE MOTIVATIONAL APPROACH

The motivational approach to work design views the effectiveness of organizational activities primarily as a function of member needs and satisfaction, and seeks to improve employee performance and satisfaction by enriching jobs. The motivational method provides people with opportunities for autonomy, responsibility, closure (that is, doing a complete job), and performance feedback.

The motivational approach usually is associated with the research of Herzberg and of Hackman and Oldham. Herzberg’s two-factor theory of motivation proposed that certain attributes of work, such as opportunities for advancement and recognition, which he called motivators, help increase job satisfaction. Other attributes, which Herzberg called hygiene factors, such as company policies, working conditions, pay, and supervision, do not produce satisfaction but rather prevent dissatisfaction important contributors because only satisfied workers are motivated to produce.

Herzberg’s motivational and hygiene factors are intuitively appealing. However, they are difficult to put into operation and measure, and that makes implementation and evaluation of the theory difficult. Furthermore, important worker characteristics that can affect whether people will respond favorably to job enrichment were not included in his theory. Finally, Herzberg’s failure to involve employees in the job enrichment process itself does not suit most OD practitioners today. Consequently, a second, well researched approach to job enrichment has been favored. It focuses on the attributes of the work itself and has resulted in a more scientifically acceptable theory of job enrichment than Herzberg’s model. The research of Hackman and Oldham represents this more recent trend in job enrichment.

(C) THE SOCIO-TECHNICAL SYSTEMS APPROACH

The socio-technical systems (STS) approach is currently the most extensive body of scientific and applied work underlying employee involvement and innovative work designs. Its techniques and design principles derive from extensive action research in both public and private organizations across diverse national cultures. This section reviews the conceptual foundations of the STS approach and then describes its most popular application: self-managed work teams.

Conceptual Background

Socio-technical systems theory was developed originally at the Tavistock Institute of Human Relations in London and has spread to most industrialized nations in a little more than 50 years. In Europe and particularly Scandinavia, STS interventions are almost synonymous with work design and employee involvement. In Canada and the United States, STS concepts and methods underlie many of the innovative work designs and team-based structures that are so prevalent in contemporary organizations.
STS theory is based on two fundamental premises: that an organization or work unit is a combined, social-plus-technical system (socio-technical), and that this system is open in relation to its environment.

- **Socio-technical System** The first assumption suggests that whenever human beings are organized to perform tasks, a joint system is operating—a socio-technical system. This system consists of two independent but related parts: a social part, including the people performing the tasks and the relationships among them; and a technical part, including the tools, techniques, and methods for task performance. These two parts are independent of each other because each follows a different set of behavioral laws. The social part operates according to biological and psychosocial laws, whereas the technical part functions according to mechanical and physical laws. Nevertheless, the two parts are related because they must act together to accomplish tasks. Hence, the term “socio-technical” signifies the joint relationship that must occur between the social and the technical parts, and the word “system” communicates that this connection results in a unified whole.

- **Environmental Relationship** The second major premise underlying STS theory is that such systems are open to their environments. As discussed in Chapter 5, open systems must interact with their environments to survive and develop. The environment provides the STS with necessary inputs of energy, raw materials, and information, and the STS provides the environment with products and services. The key issue here is how to design the interface between the STS and its environment so that the system has sufficient freedom to function while exchanging effectively with the environment. In what is typically called boundary management, STS practitioner’s structure environmental relationships both to protect the system from external disruptions and to facilitate the exchange of necessary resources and information. This enables the STS to adapt to changing conditions and to influence the environment in favorable directions.

- **Self-Managed Work Teams:** The most prevalent application of the STS approach is self-managed work teams. Alternatively referred to as self-directed, self-regulating, or high-performance work teams, these work designs consist of members performing interrelated tasks. Self-managed teams typically are responsible for a complete product or service, or a major part of a larger production process. They control members’ task behaviors and make decisions about task assignments and work methods. In many cases, the team sets its own production goals within broader organizational limits and may be responsible for support services, such as maintenance, purchasing, and quality control. Teams members generally are expected to learn many if not all of the jobs within the team’s control and frequently are paid on the basis of knowledge and skills rather than seniority. When pay is based on performance, team rather than individual performance is the standard.

- **Application Stages:** STS work designs have been implemented in a variety of settings, including manufacturing firms, hospitals, schools, and government agencies. Although the specific implementation strategy is tailored to the situation, a common method of change
underlies many of these applications. It generally involves high worker participation in work design and implementation. Such participative work design allows employees to translate their special knowledge of the work situation into relevant designs, and employees with ownership over the design process are likely to be highly committed to implementing the outcomes. STS applications generally proceed in six steps:

- **Sanctioning the Design Effort:** At this step, workers receive the necessary protection and support to diagnose their work system and to create an appropriate work design. In many unionized situations, top management and union officials jointly agree to suspend temporarily the existing work rules and job classifications so that employees have the freedom to explore new ways of working. Management also may provide workers with sufficient time and external help to diagnose their work system and devise alternative work structures. In cases of redesigning existing work systems, normal production demands may be reduced during the redesign process. Also, workers may be given some job and wage security so that they feel free to try new designs without fear of losing their jobs or money.

- **Diagnosing the Work System:** This step includes analyzing the work system to discover how it is operating. Knowledge of existing operations (or of intended operations, in the case of a new work system) is the basis for creating an appropriate work design. STS practitioners have devised diagnostic models applicable to work systems that make products or deliver services. The models analyze a system’s technical and social parts and assess how well the two fit each other. The task environment facing the system also is analyzed to see how well it is meeting external demands, such as customer quality requirements.

- **Generating Appropriate Designs:** Based on the diagnosis, the work system is redesigned to fit the situation. Although this typically results in self-managed work teams, it is important to emphasize that the diagnosis may reveal that tasks are not very interdependent and that an individual-job work design, such as an enriched job, might be more appropriate. Two important STS principles guide the design process.

- **Specifying Support Systems:** As suggested above, organizational support systems may have to be changed to support new work designs. When self-managed teams are designed, for example, the basis for pay and measurement systems may need to change from individual to team performance to facilitate necessary task interaction among workers.

- **Implementing and Evaluating the Work Designs:** This stage involves making necessary changes to implement the work design and evaluating the results. For self-managing teams, implementation generally requires a great amount of training so that workers gain the necessary technical and social skills to perform multiple tasks and to control task behaviors. It also may entail developing the team through various team-building and process-consultation activities. OD consultants often help team members carry out these tasks with a major emphasis on helping them gain competence in this area. Evaluation of the work
design is necessary both to guide the implementation process and to assess the overall effectiveness of the design. In some cases, the evaluation information suggests the need for further diagnosis and redesign efforts.

Continual Change and Improvement: This last step points out that STS designing never is complete but rather continues as new things are learned and new conditions are encountered. Thus, the ability to design and redesign work continually needs to be built into existing work designs. Members must have the skills and knowledge to assess their work unit continually and to make necessary changes and improvements. From this view, STS designing rarely results in a stable work design but instead provides a process for modifying work continually to fit changing conditions and to make performance improvements.

UNIT – III
OD PRACTICES

I. Organizational Development Practitioners

Organizational Development Practitioners are people who are entrusted with the job to carry out the planned change process in the organization. These are the people with the ultimate responsibility to development and create organizational wide effectiveness through challenging and changing its current practices. OD Practitioner normally refers to people who do Organizational Development.

Organizational Development Practitioners are people who are entrusted with the job to carry out the planned change process in the organization. These are the people with the ultimate responsibility to development and create organizational wide effectiveness through challenging and changing its current practices. OD Practitioner normally refers to people who do Organizational Development. These are the people who support in favor of the change initiative and assist others to implement Organizational Development interventions. Normally the Organizational Development Practitioners are either the OD Specialist or Leaders and Managers who bring change in their work domain.

COMPETENCES OF AN EFFECTIVE OD PRACTITIONER

OD practitioners competencies reveal a mixture of personality traits, experiences, knowledge, and skills presumed to lead to effective practice. The characteristics of successful change practitioners yields the following list of attributes and abilities: diagnostic ability, basic
## Knowledge and Skill Requirements of OD Practitioners

### Foundation Competencies

1. **Knowledge**
   - Organization behavior
     - Organization culture
     - Work design
     - Interpersonal relations
     - Power and politics
     - Leadership
     - Goal setting
     - Conflict
     - Ethics
   - Individual psychology
     - Learning theory
     - Motivation theory
     - Perception theory
   - Group dynamics
     - Roles
     - Communication processes
     - Decision-making process
     - Stages of group development
     - Leadership
   - Management and organization theory
     - Planning, organizing, leading, and controlling
     - Problem solving and decision making
     - Systems theory
     - Contingency theory
     - Organization structure
   - Characteristics of environment and technology
   - Models of organization and system
2. **Research methods/statistics**
   - Measures of central tendency
   - Measures of dispersion
   - Basic sampling theory
   - Basic experimental design
   - Sample inferential statistics
3. **Comparative cultural perspectives**
   - Dimensions of natural culture
   - Dimensions of industry culture
   - Systems implications
4. **Functional knowledge of business**
   - Interpersonal communication (listening, feedback, and articulation)
   - Collaboration/working together
   - Problem solving
   - Using new technology
   - Conceptualizing
   - Project management
   - Present/education/coach

### Core Competencies

1. **Organization design:**
   - The decision process associated with formulating and aligning the elements of an organizational system, including but not limited to structural systems, human resource systems, information systems, reward systems, work design, political systems, and organization culture
   - The concept of fit and alignment
2. **Diagnostic and design model**
   - For various sub-systems that make up an organization at any level of analysis, including the structure of work, human resources, information systems, reward systems, work design, political systems, and so on
   - Key thought leaders in organization design
3. **Organization research:**
   - Field research methods; interviewing; content analysis; design of questionnaires and interview protocol; designing change evaluation processes; longitudinal data collection and analysis; understanding and detecting alpha, beta, and gamma change; and a host of quantitative and qualitative methods
4. **System dynamics:**
   - The description and understanding of how systems evolve and develop over time, how systems respond to exogenous and endogenous disruption as well as planned interventions (e.g., evolution and revolution, punctuated equilibrium theory, chaos theory, catastrophe theory, incremental vs. quantum change, transformation theory, and so on)

B.PRATAP REDDY, Associate Professor, Dept. of MBA, CREC
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<tr>
<th>FOUNDATION COMPETENCIES</th>
<th>CORE COMPETENCIES</th>
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<tbody>
<tr>
<td>1. Managing the consulting process: the ability to enter, contract, diagnose, design appropriate interventions, implement those interventions, manage unprogrammed events, and evaluate change process</td>
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<tr>
<td>2. Analysis/diagnosis: the abilities to conduct an inquiry into a system’s effectiveness, to see the root cause(s) of a system’s current level of effectiveness; the core skill is interpreted to include all systems—individual, group, organization, and multiorganization—as well as the ability to understand and inquire into one’s self</td>
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<tr>
<td>3. Designing/choosing appropriate, relevant interventions: understanding how to select, modify, or design effective interventions that will move the organization from its current state to its desired future state</td>
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<td>4. Facilitation and process consultation: the ability to assist an individual or group toward a goal; the ability to conduct an inquiry into individual and group processes such that the client system maintains ownership of the issue, increases its capacity for reflection on the consequences of its behaviors and actions, and develops a sense of increased control and ability</td>
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<td>5. Developing client capability: the ability to conduct a change process in such a way that the client is better able to plan and implement a successful change process in the future, using technologies of planned change</td>
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knowledge of behavioral science techniques, empathy, knowledge of the theories and methods within the consultant’s own discipline, goal-setting ability, problem-solving ability, ability to perform self-assessment, ability to see things objectively, imagination, flexibility, honesty, consistency, and trust.

Twenty-three competencies were generated that reflected both the skills and knowledge necessary to conduct planned change processes and the individual characteristics necessary to be an effective OD practitioner. Similar to other lists, the competencies included the ability to evaluate change, work with large-scale change efforts, create implementation plans, and manage diversity. OD practitioners know themselves and that such knowledge forms the basis of effective practice.

THE PROFESSIONAL ORGANIZATION DEVELOPMENT PRACTITIONER

A. Role of Organization Development Professionals:

(i) Position: Organization development professionals have positions that are either internal or external to the organization. Internal consultants are members of the organization and may be located in the human resources department or report directly to a line manager. They may perform the OD role exclusively, or they may combine it with other tasks, such as compensation practices, training, or employee relations. External consultants are not members of the client organization; they typically work for a consulting firm, a university, or themselves. Organizations generally hire external consultants to provide a particular expertise that is unavailable internally, to bring a different and potentially more objective perspective into the organization development process, or to signal shifts in power.

Entry Phase: During the entry process, internal consultants have clear advantages. They have ready access to and relationships with clients, know the language of the organization, and have insights about the root cause of many of its problems. This allows internal consultants to save time in identifying the organization’s culture, informal practices, and sources of power. They have access to a variety of information, including rumors, company reports, and direct observations. In addition, entry is more efficient and congenial, and their pay is not at risk. External consultants, however,
have the advantage of being able to select the clients they want to work with according to their own criteria.

<table>
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<tr>
<th>STAGE OF CHANGE</th>
<th>EXTERNAL CONSULTANTS</th>
<th>INTERNAL CONSULTANTS</th>
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<tbody>
<tr>
<td>Entering</td>
<td>• Source clients</td>
<td>• Ready access to clients</td>
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<tr>
<td></td>
<td>• Build relationships</td>
<td>• Ready relationships</td>
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<tr>
<td></td>
<td>• Learn company jargon</td>
<td>• Knows company jargon</td>
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<td></td>
<td>• “Presenting problem” challenge</td>
<td>• Understands root causes</td>
</tr>
<tr>
<td></td>
<td>• Time consuming</td>
<td>• Time efficient</td>
</tr>
<tr>
<td></td>
<td>• Stressful phase</td>
<td>• Congenial phase</td>
</tr>
<tr>
<td></td>
<td>• Select project/client according to own criteria</td>
<td>• Obliged to work with everyone</td>
</tr>
<tr>
<td></td>
<td>• Unpredictable outcome</td>
<td>• Steady pay</td>
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- **Contracting phase:** The contracting phase is less formal for internal consultants and there is less worry about expenses, but there is less choice about whether to complete the assignment. Both types of consultants must address issues of confidentiality, risk project termination (and other negative consequences) by the client, and fill a third-party role.

- **Diagnosis Phase:** During the diagnosis process, internal consultants already know most organization members and enjoy a basic level of rapport and
trust. But external consultants often have higher status than internal consultants, which allows them to probe difficult issues and assess the organization more objectively.

**Intervention phase:** In the intervention phase, both types of consultants must rely on valid information, free and informed choice and internal commitment for their success. However, an internal consultant’s strong ties to the organization may make him or her overly cautious; particularly when powerful others can affect a career. Internal consultants also may lack certain skills and experience in facilitating organizational change. Insiders may have some small advantages in being able to move around the system and cross key organizational boundaries. Finally, the measures of success and reward differ from those of the external practitioner in the evaluation process.

1. **External OD Practitioners**

**Advantages**

- Brought in from outside so not associated with the system, which makes them less dependent on the system and makes them work independently
- They are more formal in their approach and since they are Specialist they are more Involved in the process, as this is what they do for living
- Sees from different point of view, with Objectivity
- Greater freedom of operation
- Viewed by top managers to have more positive influence, as they cannot be influenced with ease, and are not really a part of the organizational structure
- Less Influenced by power politics of the organization
- More Independent and Risk Takers

**Disadvantages**

- Outsiders are unfamiliar with the organizational culture, Norms, Practices
- May have difficulty in Obtaining the information due to lack of information on data repository and informal channels of communication
2. Internal Practitioners

Advantages

- Familiar with Organizational culture and norms
- They know the Structure of the Organization
- They know the people
- Have personal interest in making organization succeed

Disadvantages

- Lack of Specialized Skills
- Lack of Objectivity as they may be influenced by the Management
- May not have necessary power and authority

(ii) Marginality: The marginal person is one who successfully straddles the boundary between two or more groups with differing goals, value systems, and behavior patterns. Whereas in the past, the marginal role always was seen as dysfunctional, marginality now is seen in a more positive light. There are many examples of marginal roles in organizations: the salesperson, the buyer, the first-line supervisor, the integrator, and the project manager.

Evidence is mounting that some people are better at taking marginal roles than are others. Those who are good at it seem to have personal qualities of low dogmatism, neutrality, open-mindedness, objectivity, flexibility, and adaptable information processing ability. Rather than being upset by conflict, ambiguity, and stress, they thrive on it. Individuals with marginal orientations are more likely than others to develop integrative decisions that bring together and reconcile viewpoints among opposing organizational groups and are more likely to remain neutral in controversial situations.

(iii) Emotional Demands: The OD practitioner role is emotionally demanding. Research and practice support the importance of understanding emotions and their impact on the practitioner’s effectiveness. The research on emotional intelligence in organizations suggests a set of abilities that can aid OD practitioners in conducting successful change efforts. Emotional intelligence refers to the ability to recognize and express emotions appropriately, to use emotions in thought and decisions, and to regulate emotion in one’s self and in others. It is, therefore, a different kind of intelligence from problem solving ability, engineering aptitude, or the knowledge of concepts. In tandem with traditional knowledge and skill, emotional intelligence affects and supplements rational thought.

(iv) Use of Knowledge and Experience: The professional OD role has been described in terms of a continuum ranging from client centered (using the client’s knowledge and experience) to consultant centered (using the consultant’s knowledge and experience). Traditionally, OD
consultants have worked at the client-centered end of the continuum. Organization development professionals, relying mainly on process consultation and team building, have been expected to remain neutral, refusing to offer expert advice on organizational problems. Rather than contracting to solve specific problems, the consultant has tended to work with organization members to identify problems and potential solutions, to help them study what they are doing now and consider alternative behaviors and solutions, and to help them discover whether, in fact, the consultant and they can learn to do things better. In doing that, the OD professional has generally listened and reflected upon members’ perceptions and ideas and helped clarify and interpret their communications and behaviors.

**PROFESSIONAL VALUES**

Values have played an important role in organization development from its beginning. Traditionally, OD professionals have promoted a set of values under a humanistic framework, including a concern for inquiry and science, democracy, and being helpful. They have sought to build trust and collaboration; to create an open, problem-solving climate; and to increase the self-control of organization members. More recently, OD practitioners have extended those humanistic values to include a concern for improving organizational effectiveness.

OD Practitioners have shown an increasing desire to optimize both human benefits and production objectives. The joint values of humanizing organizations and improving their effectiveness have received widespread support in the OD profession as well as increasing encouragement from managers, employees, labor leaders, and government officials. Indeed, it would be difficult not to support those joint concerns. But in practice, OD professionals face serious challenges in simultaneously pursuing greater humanism and organizational effectiveness.

More practitioners are experiencing situations in which there is conflict between employees’ needs for greater meaning and the organization’s need for more effective and efficient use of its resources. For example, expensive capital equipment may run most efficiently if it is highly programmed and routinized, but people may not derive satisfaction from working with such technology.

In addition to value issues within organizations, OD practitioners are dealing more and more with value conflicts with powerful outside groups. Organizations are open systems and exist within increasingly turbulent environments. Those external groups often have different and competing values for judging the organization’s effectiveness.

*For example*, stockholders may judge the firm in terms of earnings per share, the government in terms of compliance with equal employment opportunity legislation, patients in terms of quality of care, and ecology groups in terms of hazardous waste disposal.

Because organizations must rely on these external groups for resources and legitimacy, they cannot simply ignore these competing values. They must somehow respond to them and try to reconcile the different interests. Recent attempts to help firms manage external relationships suggest the need for new interventions and competence in OD.
Practitioners must have not only social skills but also political skills. They must understand the distribution of power, conflicts of interest, and value dilemmas inherent in managing external relationships, and be able to manage their own role and values with respect to those dynamics. Research suggests this is especially true in inter-organizational and international applications of OD.

Interventions promoting collaboration and system maintenance may be ineffective in this larger arena, especially when there are power and dominance relationships among organizations and competition for scarce resources. Under those conditions, OD practitioners may need more power-oriented interventions, such as bargaining, coalition forming, and pressure tactics.

For example, organizations are coming under increasing pressure to align their practices with ecologically sound design principles. Popular and scientific concerns over global warming, toxic waste, natural resource depletion, and sustainability each have formidable nonprofit groups, citizen action committees, and professional lobbyists representing them.

In addition, an increasing number of consulting firms are marketing products and processes to help organizations achieve a more sustainable relationship with the environment. In response, firms have “gone green,” announced contributions to environmental funds, and created alliances with environmental nongovernmental groups.

Many argue that these changes are more window dressing than real, more political than operational, and more public relations than substantive. To be fair, a number of organizations have made important changes in their philosophies, strategies, and resource allocations. As a result, the relationships between organizations and environmental groups range from benign to hostile to collaborative. People practicing OD in such settings may need to help organizations manage these relationships and implement strategies to manage their constituencies effectively. That effort will require political skills and greater attention to how the OD practitioner’s own values fit with those of the organization.

PROFESSIONAL ETHICS

Ethical issues in OD are concerned with how practitioners perform their helping relationship with organization members. Inherent in any helping relationship is the potential for misconduct and client abuse. OD practitioners can let personal values stand in the way of good practice or use the power inherent in their professional role to abuse (often unintentionally) organization members.

Ethical Guidelines

To its credit, the field of OD always has shown concern for the ethical conduct of its practitioners. There have been several articles and symposia about ethics in OD. In addition, statements of ethics governing OD practices have been sponsored by the Organization Development Institute, the American Society for Training & Development and a consortium of professional associations in OD. The consortium has jointly sponsored an ethical code derived
from a large-scale project conducted at the Center for the Study of Ethics in the Professions at the Illinois Institute of Technology. The project's purposes included preparing critical incidents describing ethical dilemmas and using that material for professional and continuing education in OD, providing an empirical basis for a statement of values and ethics for OD professionals, and initiating a process for making the ethics of OD practice explicit on a continuing basis.

**Ethical Dilemmas**

Although adherence to statements of ethics helps prevent the occurrence of ethical problems, OD practitioners still encounter ethical dilemmas. The following figure shows the process model that explains how ethical dilemmas can occur in OD.

The antecedent conditions include an OD practitioner and a client system with different goals, values, needs, skills, and abilities. During the entry and contracting phase these differences may or may not be addressed and clarified. If the contracting process is incomplete, the subsequent intervention process or role episode is subject to role conflict and role ambiguity. Neither the client nor the OD practitioner is clear about respective responsibilities. Each party is pursuing different goals, and each is using different skills and values to achieve those goals.

The role conflict and ambiguity may produce different types of ethical dilemmas in OD practice stemming from the actions of either the consultant or client or both:

- Misrepresentation
- Misuse of Data
- Coercion
✓ Collusion
✓ Promising Unrealistic Outcomes
✓ Deception and Conflict of Values and
✓ Professional / Technical Ineptness.

Misrepresentation

Misrepresentation occurs when OD practitioners claim that an intervention will produce results that are unreasonable for the change program or the situation. The client can contribute to the problem by portraying inaccurate goals and needs. In either case, one or both parties are operating under false pretenses and an ethical dilemma exists. Misrepresentation is likely to occur in the entering and contracting phases of planned change when the initial consulting relationship is being established. To prevent misrepresentation, OD practitioners need to gain clarity about the goals of the change effort and to explore openly with the client its expected effects, its relevance to the client system, and the practitioner’s competence in executing the intervention.

Misuse of Data

Misuse of data occurs when information gathered during the OD process is used punitively. Large amounts of information are invariably obtained during the entry and diagnostic phases of OD. Although most OD practitioners value openness and trust, it is important that they be aware of how such data are going to be used. It is a human tendency to use data to enhance a power position. Leaking inappropriate information can be harmful to individuals and to the organization.

It is easy for a consultant, under the guise of obtaining information, to gather data about whether a particular manager is good or bad. When, how, or if this information can be used is an ethical dilemma not easily resolved. To minimize misuse of data, practitioners should reach agreement up front with organization members about how data collected during the change process will be used. This agreement should be reviewed periodically in light of changing circumstances.

Collusion

An example of collusion would be the consultant agreeing with key client to schedule a team-building workshop when it is known that a certain departmental head would be on vacation. If OD interventions are perceived as methods for “getting” anyone, the OD process is doomed to fail.

Coercion

Coercion occurs when organization members are forced to participate in an OD intervention. People should have the freedom to choose whether to participate in a change program if they are to gain self-reliance to solve their own problems.

Management should not decide unilaterally for members. However, freedom to make a choice requires knowledge about OD. Many organization members have little information about
 OD interventions, what they involve, and the nature and consequences of becoming involved with them. This makes it imperative for OD practitioners to educate clients about interventions before choices are made for implementing them.

Coercion also can pose ethical dilemmas for the helping relationship between OD practitioners and organization members. Inherent in any helping relationship are possibilities for excessive manipulation and dependency, two facets of coercion.

An effective way to resolve the first aspect of the dilemma is to make the change effort as open as possible, with the free consent and knowledge of the individuals involved. The second aspect of coercion that can pose ethical dilemmas for the helping relationship involves dependency.

To resolve dependency issues, consultants can openly and explicitly discuss with the client how to handle the dependency problem, especially what the client and consultant expect of one another. Another approach can be by changing the client's expectation from being helped or controlled by the practitioner to a greater focus on the need to manage the problem. Such a refocusing can reinforce the understanding that the consultant is working for the client and offering assistance that is at the client's discretion.

Promising Unrealistic Outcomes

Obviously, this is unethical & counter-Productive the temptation to make promises in order to gain a client contract can be great, but the consequences can be reduced credibility of the consultant and the reduced credibility of the key client within the organization as well as the OD field. Thus, the values underlying ethical OD practice are: honesty, openness, voluntarism, integrity, confidentiality, the development of people and the development of consultant expertise, high standards & self-awareness.

Deception and Value Conflict

This ethical conflict occurs when the purpose of the change effort is not clear or when the client and the practitioner disagree over how to achieve the goals. The important practical issue for OD consultants is whether it is justifiable to withhold services unilaterally from an organization that does not agree with their values or methods.

Professional / Technical Ineptness

This final ethical dilemma occurs when OD practitioners try to implement interventions for which they are not skilled or when the client attempts a change for which it is not ready. Critical to the success of any OD program is the selection of an appropriate intervention, which depends, in turn, on careful diagnosis of the organization. Selecting an intervention is closely related to the practitioner's own values, skills, and abilities.
INDIVIDUAL INTERVENTIONS / T – GROUPS INTERVENTIONS

T-Group (Training Group) is a small unstructured group in which the participants learn from their own inter-actions and evolving dynamics about issues pertaining to interpersonal relations, group dynamics and leadership. This is also primarily known as Sensitivity training and is a training approach based on experiential learning. In a group, around 10-12 participants assemble together and work with a facilitator to discover something about themselves — their strengths, styles, inter-personal relationships, participation in the group, how they are perceived by others etc.

The group does not have any pre-determined agenda and evolves its own agenda over the time. The participants act as a resource to each other and help in creating a climate, which is conducive to discovery through the data generated in the group. The group evolves like a laboratory where learning takes place mainly through experiencing, reflecting, hypothesizing, experimenting and conceptualizing rather than through lectures. The individual is encouraged to express oneself and increase one’s personal and interpersonal effectiveness in the group setting.

T-Group Training normally adopts two paths (directions):

i) To gain deeper understanding about self and personal growth (inter-personal focus); and

ii) To explore group dynamics and relationship between members. This leads to team building interventions (Interpersonal and organizational focus).

Every T-Group is organized with some objectives. The following are some of the objectives frequently set for T-Groups:

- Enhance understanding about self, gain insights into one’s own behavior and its impact on others including the ways in which these are interpreted by others.
- Enhance the understanding and awareness about others’ behavior (thoughts, feelings and actions).
- Enhance the understanding and awareness of group and inter-group processes; processes that facilitate and inhibit group effectiveness.
- Identify and develop greater awareness of behavioral processes associated with one’s life.
- Increasing diagnostic skills in inter-personal and inter-group situations.
- Experimentation of new behaviors initiated during the lab.
- Improve one’s effectiveness in inter-personal situations so as to derive greater satisfaction from them.
- Discover one’s dormant potential to live more effectively and meaningfully.
- Increase ability to transform the learning into action etc.
Benefits of T-Group Training

The benefits of T-Group training may be enumerated at individual, group and organizational levels.

**Individual Level**

Many benefits of undergoing T-Group training have been reported and observed at the individual level. With the venting out of feelings bottled since long, the person becomes more spontaneous, tension free and is able to perceive things in more unbiased manner. The stress level decreases and thus the physical and mental health increases. He becomes more sensitive to himself, and is able to own up his feelings. This causes decrease in defensive behavior and clarity in perception. The hopefulness increases; the latent strengths and limitations become known which result in realistic and achievement oriented goal setting. One is able to look into and examine his self-concept realistically and takes appropriate steps for strengthening it. This enhances self-esteem. The capability to explore options increases and therefore the decision-making becomes more effective.

The internal locus of control gets strengthened and the motivation to make efforts for achieving individual and organizational goals increases. The willingness to change and coping abilities increase.

**Inter-personal Level**

Due to increase in the insights to understand others, and enhanced self-esteem, communication with other persons becomes supportive resulting in productive relationships. Since the self-disclosure increases, one is able to get more feed back which keeps on increasing the arena (open) resulting in creation of a trusting and open relationship with others. Aggression and defensiveness decrease which help in developing better relationships and increased influence. People want to work together and thus the teamwork improves. The assertiveness (concern for self) and cooperativeness (concern for others) undergo enhancement resulting in collaborative behavior. Over dependence and counter dependence reduce and inter-dependence increases. It becomes easy to praise and give positive feedback to others, reduce the hostility towards others and receive feedback from others in a positive manner. All these aspects facilitate personal growth and effective inter-personal relations.
Organisational Development

III SEM MBA

Organizational Level

T-Group training increases openness, trust realization and inter-dependence which help in creation of a conducive climate where everybody strives for realizing his potential. Hostility reduces and new and better ideas become available. The change interventions are better appreciated and if a large number of persons have undergone this training, the capability to cope with future challenges increases. Due to increase in the influencing ability, empathy and assertiveness, the leadership styles become more effective. The T-Group Training is not beneficial to Corporate Sector alone, it has been observed to be equally effective for persons engaged in the areas of Education, Health Services, Social Work and Industry.

There are some Management Institute where the Postgraduate students compulsorily undergo T-Group training or Human Processes Labs or Personal Growth Lab. It should not be misunderstood that this training is useful for Trainers/HRD Professionals only. This is one of the most effective interventions for Self Development / Personal Growth and is useful to all persons irrespective of their education or level in the organizational hierarchy. The leaders in various sectors who are instrumental in influencing and developing others will be especially benefited. Persons who are finding it painful and difficult to cope with the inter-personal, team, family, social or organizational set-up will experience this training as a unique opportunity. It is essential for those who are in the role of facilitators in various organizational efforts such as - HRDI, Organization development, Total Quality Management, Business Process Re-engineering, Quality Circle, Productivity Circles etc.

Some Basic Assumptions

T-Group functions under few assumptions:

a) Learning is the responsibility of participants;

b) The role of trainer is to facilitate the examination and understanding of the experiences in the group;

c) Learning is largely a combination of experiences and conceptualization and uses the experiential learning cycle: “experiencing - publishing - processing - generalizing - applying - experiencing”

d) People’s learning is optimized when they establish authentic relationships with others; and
e) The development of new skills (in working with people) is maximized as they examine the basic values, acquire concepts and theories, practice new behaviors and obtain feedback.

**INTERPERSONAL / INTERGROUP INTERVENTIONS**

(A) Confrontation Meetings

Originally developed by Beckhard, this OD intervention is used for identifying and prioritizing problems in organizations and beginning the working on the solution of the problems by involving many people. The inter group confrontation meetings usually involve the following steps:

**Step 1:** The two work groups separately make three lists: How do we see ourselves?; How do we think department B sees us? and How do we see department B? The lists are prepared on sheets of newsprint and are written in large legible print and then taped to the wall.

**Step 2:** The groups then meet together. A spokesperson for each group presents that group’s list. While department A, for example, is making its presentation, department B may not defend itself or argue, or rebut; but it does have the opportunity to clarify questions.

**Step 3:** The groups then meet separately to discuss the discrepancies in perception and react to the feedback. The feedback allows for correcting perceptions and behaviors to a more effective mode.

**Step 4:** In the next phase, subgroups of five or six are formed by mixing members of groups A and B. Those cross-groups have the objectives of agreeing upon a diagnosis of interface problems and the development of conflict-reducing or problem-solving alternatives with action plans and follow-up activities. Together, the groups develop an action plan for solving problems and assigning responsibilities for the action plan.

**Step 5:** Usually, a follow-up meeting is scheduled for a future date to evaluate progress and to make sure that the actions have achieved their purpose. It is apparent that such interventions do aid in lessening inter group conflicts, possibly as a result of the Hawthorne
effect. The fact that a consultant and both groups are interested in resolving the issues may lead to improved relations.

Confrontation meeting can be held for Department / Function level and/or organization problems identification and solution. Different techniques may be used for problem identification, generation of alternative solutions, prioritization of alternative solutions and choice of appropriate solution etc. Generally such meetings are of 6-8 hours duration but depending upon the nature of problems, may be of longer durations having a few days gap between two meetings if one is not adequate. The typically used steps have been indicated as given below.

1) Convening a meeting of representatives of all departments in the organization.

2) Assuring and motivating the participants to be open, free and frank in communication, and giving a brief presentation on the need and importance of problem identification and working for solution in groups.

3) Dividing participants in small groups (5-7) and asking them to identify problems which are inhibiting their own and organizational performance.

4) Convening all groups together and makes presentations of the identified problems.

5) Distributing copies of problems to be given to each participant and using an appropriate method. Problems are classified into different groups such as Human, Economical, Structural, Technological etc.

6) Prioritizing the problems involving the entire participants arranging and synthesizing the problems for more meaningful understanding.

7) Facilitating the participants to collectively select a few problems for solution.

8) Dividing participants into groups according to the classification and nature of the problems and assigning them time to bring an approach for solution (or solution) with an action plan.

9) Convening the groups and making presentations by each group and incorporating modification wherever required.
10) Getting the approaches and solutions examined by the top management and getting their decision on future course of action making a follow up and implementation plan and formal communication in this regard.

11) Preparing follow up plan. This intervention is very simple and needs a good internal or external facilitator. The climate building is crucial for success because conducive environment will encourage the participants to give their ideas without any fear.

(B) Organizational Mirroring:

This is an intervention, which is used by a section (department / function etc.) of an organization to collect the perception of other relevant sections of the organization with the aim of improving its performance, image and relationships with other sections.

In a large multi unit company the Corporate Personnel Department wanted to know the perception of the unit Personnel Department and a few other significant departments.

For this a Consultant (in this case internal) was invited and briefed. With the help of the Consultant and senior executives of Corporate Personnel, a few significant clients (customers) of Corporate Personnel Department were identified:

– Corporate Finance
– Personnel Department of Major Units
– Personnel Department of a few sites
– Shop Floor (Production) Dept.
– Training Department
– Trade Union representatives

Representatives (2-3 from each of these departments) were invited for a Workshop on a specified date. From Corporate Personnel, the head along with group leaders and a few others were the hosts. The Consultant had separately interviewed some representatives of each of the client group including the host group and collected relevant information regarding expectations from host group and their perceptions about the host group.

In the beginning of the Workshop, the Head of the Corporate Personnel welcomed all representatives and explained that the Corporate Personnel wanted to bring in improvement in their
performance and satisfaction of the internal customers. He assured that all the perceptions and impressions will be taken in a real positive way and requested to give free and frank opinion.

The Consultant divided the representatives in 7 groups and asked them to discuss and bring out their perceptions about functioning of the Corporate Personnel covering both the positive and negative aspects. He also emphasized that the perceptions should be data based, objective and should be prepared keeping in view the requisites of effective feedback. The host groups were also asked to bring out their perception of their own performance. After 40 minutes, all groups were called in the hall and the representatives of Corporate Personnel (group leaders) sat in the Centre and around them, the members of other groups were made to sit.

The host group request outside groups to tell them their perception. A person was assigned the task of noting down the points on white board. By turns each group shared their perception. In case of confusion, the host group was seeking clarification. Members also interacted with each other in a controlled manner. After completion of sharing by every group, the hosts summarized and divided the main themes of perceptions in three parts:

a) Positive perceptions (appreciation)
b) Negative perceptions and
c) Main expectations (from Corporate Personnel)

Once again, the total participants were divided into 4 groups by the Consultant and every group was asked to identify and prioritize issues / areas of improvement of the performance of Corporate Personnel. After 30 minutes, the groups were once again convened and presentations were made by the representatives of each group. Thereafter, a core group was constituted which identified key issues and presented to the whole group.

Once the issues were discussed, consensus was arrived at and an action plan was prepared for implementation.

The method used in this exercise is a simple example of ‘Organizational Mirroring.’ Organizational mirroring’ intervention is very effective in improving performance and optimizing the inter-departmental / inter-functional relationships. The facilitator (Consultant) intervenes for creating a conducive, non-threatening climate, eliciting desired information, making process observations to make group process more effective and crystallizing the issues.
COMPREHENSIVE INTERVANTIONS

“GETTING THE WHOLE SYSTEM IN THE ROOM”

Phrases like “getting the whole system in the room” are appearing with increasing frequency in OD practice.¹ What OD professionals are talking about is the usefulness of getting all of the key actors of a complex organization or system together in a team-building, future-planning kind of session. Future search conferences comprise one version of “getting whole systems in the room,” and Beckhard’s confrontation meeting is another version. In a sense, partnering, as described in Chapter 10, operates from the same mode.

The rationale for inviting all of the key actors of a complex system to meet together is congruent with systems theory and an extension of the assumptions underlying team building. If you get all of the people with crucial interdependencies together to work on matters of mutual concern, good things can happen. In this case, the system is conceptualized as a total organization or as several organizations in interaction.

“Getting the whole system in one room” has a long and venerable history, including the art and science of conference planning and running large meetings. For example, Burke and Beckhard’s book, Conference Planning, has essays that go back to the 1940s and that are relevant to today’s OD practice.² Examples of the “whole system” might be as follows:

• Managers of all of the functional areas in a business.
• Representatives of top management, a cross section of employees from all levels, and supplier and customer representatives.
• All of the librarians in a state or region plus the direct and staff of the state library system.
• Directors of all of the social service agencies in a community.

The latter is an example of the overlap between OD and community development, an overlap that has been apparent since scholar/practitioners like Eva Schindler–Rainman were working with community agencies in the 1950s and 1960s (see chapter 2).

SEARCH CONFERENCES AND FUTURE SEARCH CONFERENCES

“Search conferences” and “future search conferences” are similar, but have slightly different geographical and theoretical foundations. “Search” conferences largely emerged with consulting practices in Great Britain, Europe, and Australia, while “future search” conferencing has been largely an American phenomenon, although both have had extensive applications in the United States. In comparing these two large group interventions in their book The Search Conference, Merrelyn Emery and Ronald Purser, who have been associated with British/Australian practice, see U.S. “future search” literature as taking “a more psychotherapeutic view of humanity” in contrast to the Births and Australian orientation.³ However, both consulting modalities stem from the interaction extensively influenced by the works of Kurt Lewin.

The basic design of the search conference has the three following phases as quoted from Emery and Purser’s The Search Conference:
Phase One: Environmental Appreciation
Changes in the world around us
Desirable and probable future

Phase Two: System Analysis
History of the system
Analysis of the present system
Desirable future for the system

Phase Three: Integration of System and Environment
Dealing with constraints
Strategies and action plans

One version of Weisbord’s future search conference model consists of the following steps.

1. The consultants (or conference managers) meet with a voluntary committee of four to six potential participants. Many aspects are planned, including the overall focus, who should attend, dates, and times, locations and meals, group tasks, and so on. The conferences are usually planned to start on Wednesday evening (with dinner followed by the first working session) and to end up on Friday afternoon.

2. Up to 50 or 60 people are invited. Depending on the nature of the focus, the whole system is represented in the conference. Such representation might mean people from all of the functional areas and levels of the organization; persons from all racial, ethnic, sex, and age backgrounds; and might include customers, suppliers, and union leaders. People are asked to bring newspaper and magazine clippings that describe events they believe are influencing and shaping the organization’s future.

3. Participants sit at tables of six to eight, with an easel, marking pens, and tape. Depending on the focus and assigned tasks, groupings may vary during the conference, with group membership assigned or based on self-selection. All group output is recorded on easel paper, all ideas are valid, and agreement is not required. The conference is not to solve problems, but to generate awareness, understanding, and mutual support. (Conference members, however, make action recommendations at the end of the workshop.)

4. The conference has four or five segments, each listing up to a half day. As Weisbord describes it, “Each one requires that people (a) build a database, (b) look at it together, (c) interpret what they find, and (d) draw conclusions for action.”

5. The first major activity focuses on the past. Although sitting at a table with others, each person individually is asked to make notes on significant events, milestones, and so on, that they can recall relative to each of the past three decades and from three perspectives: self, company (or town or industry), and society. These individual notes are transferred to sheets on the wall that is organized by topic and by decade.

   The group at each table is asked to analyze one theme—self, company, or society—across the three past decades and to extract patterns and meanings. Each table then reports to the total group, and a consultant notes trends. The total conference then interprets “good and bad trends and the direction of movement of each.”

6. The second major activity focuses on present factors—both external and internal—that are shaping the future of the organization. Relative to the external environment, participants are asked to share their newspaper and magazine clippings, with their table group and indicate why they think the article is important. Each group selects priorities from lists that are developed. Next, internal events and trends are surfaced by asking people to generate a list of “prouds” and “sorries” relative to what is currently going on within the organization. People vote for the “proudest prouds” and the “sorriest sorries,” and the results are displayed and discussed. The conference managers probe, note key statements, and summarize on flip charts.
ENTERING INTO AN OD RELATIONSHIP

An OD process generally starts when a member of an organization or unit contacts an OD practitioner about potential help in addressing an organizational issue. The organization member may be a manager, staff specialist, or some other key participant; the practitioner may be an OD professional from inside or outside of the organization. Determining whether the two parties should enter into an OD relationship typically involves clarifying the nature of the organization’s current functioning and the issue(s) to be addressed, the relevant client system for that issue, and the appropriateness of the particular OD practitioner. In helping assess these issues, the OD practitioner may need to collect preliminary data about the organization. Similarly, the organization may need to gather information about the practitioner’s competence and experience.

This knowledge will help both parties determine whether they should proceed to develop a contract for working together. This section describes the activities involved in entering an OD relationship: clarifying the organizational issue, determining the relevant client, and selecting the appropriate OD practitioner.

Clarifying the Organizational Issue

The presenting problem often has an implied or stated solution. For example, managers may believe that because costs are high, laying off members of their department is the obvious answer. They may even state the presenting problem in the form of a solution: “We need to downsize our organization.”

In many cases, however, the presenting problem is only a symptom of an underlying problem. For example, high costs may result from several deeper causes, including ineffective new product development or manufacturing processes, inappropriate customer service policies and procedures, or conflict between two interdependent groups. The issue facing the organization or department must be clarified early in the OD process so that subsequent diagnostic and intervention activities are focused correctly.

Gaining a clearer perspective on the organizational issue may require collecting preliminary data. OD practitioners often examine company records and interview a few key members to gain an introductory understanding of the organization, its context, and the nature of the presenting problem. Those data are gathered in a relatively short period of time typically over a few hours to one or two days. They are intended to provide enough rudimentary knowledge of the organizational issue to enable the two parties to make informed choices about proceeding with the contracting process.
The diagnostic phase of OD involves a far more extensive assessment of the problematic or development issue than occurs during the entering and contracting stage. The diagnosis also might discover other issues that need to be addressed, or it might lead to redefining the initial issue that was identified during the entering and contracting stage. This is a prime example of the emergent nature of the OD process: Things may change as new information is gathered and new events occur.

Determining the Relevant Client

A second activity in entering an OD relationship is defining the relevant client for addressing the organizational issue. Generally, the relevant client includes those organization members who can directly impact the change issue, whether it is solving a particular problem or improving an already successful organization or department. Unless these members are identified and included in the entering and contracting process, they may withhold their support for and commitment to the OD process. In trying to improve the productivity of a unionized manufacturing plant, for example, the relevant client may need to include union officials as well as managers and staff personnel. It is not unusual for an OD project to fail because the relevant client was inappropriately defined.

Determining the relevant client can vary in complexity depending on the situation. In those cases where the organizational issue can be addressed in a specific organization unit, client definition is relatively straightforward. Members of that unit constitute the relevant client. They or their representatives must be included in the entering and contracting process. For example, if a manager asked for help in improving the decision-making process of his or her team, the manager and team members would be the relevant client. Unless they are actively involved in choosing an OD practitioner and defining the subsequent change process, there is little likelihood that OD will improve team decision making.

Determining the relevant client is more complex when the organizational issue cannot readily be addressed in a single unit. Here, it may be necessary to expand the definition of the client to include members from multiple units, from different hierarchical levels, and even from outside of the organization. For example, the manager of a production department may seek help in resolving conflicts between his or her unit and other departments in the organization. The relevant client would extend beyond the boundaries of the production department because that department alone cannot resolve the issue. The client might include members from all departments involved in the conflict as well as the executive to whom all of the department’s report. If that interdepartmental conflict also involved key suppliers and customers from outside of the firm, the relevant client might include members of those groups.

In such complex situations, OD practitioners need to gather additional information about the organization to determine the relevant client, generally as part of the preliminary data collection.
that typically occurs when clarifying the issue to be addressed. When examining company records or interviewing personnel, practitioners can seek to identify the key members and organizational units that need to be involved. For example, they can ask organization members questions such as these: Who can directly impact the organizational issue? Who has a vested interest in it? Who has the power to approve or reject the OD effort? Answers to those questions can help to determine the relevant client for the entering and contracting stage, although the client may change during the later stages of the OD process as new data are gathered and changes occur. If so, participants may have to return to and modify this initial stage of the OD effort.

**SELECTING AN OD PRACTITIONER**

The last activity involved in entering an OD relationship is selecting an OD practitioner who has the expertise and experience to work with members on the organizational issue. Unfortunately, little systematic advice is available on how to choose a competent OD professional, whether from inside or outside of the organization. To help lower the uncertainty of choosing from among external OD practitioners, organizations may request that proposals be submitted. In these cases, the OD practitioner must take all of the information gathered in the prior steps and create an outline of how the process might unfold.

For less formal and structured selection processes, the late Gordon Lippitt, a pioneering practitioner in the field, suggested several criteria for selecting, evaluating, and developing OD practitioners. Lippitt listed areas that managers should consider before selecting a practitioner—including their ability to form sound interpersonal relationships, the degree of focus on the problem, the skills of the practitioner relative to the problem, the extent that the consultant clearly informs the client as to his or her role and contribution, and whether the practitioner belongs to a professional association. References from other clients are highly important. A client may not like the consultant’s work, but it is critical to know the reasons for both pleasure and displeasure. One important consideration is whether the consultant approaches the organization with openness and an insistence on diagnosis or whether the practitioner appears to have a fixed program that is applicable to almost any organization.

Certainly, OD consulting is as much a person specialization as it is a task specialization. The OD professional needs not only a repertoire of technical skills but also the personality and interpersonal competence to use himself or herself as an instrument of change. Regardless of technical training, the consultant must be able to maintain a boundary position, coordinating among various units and departments and mixing disciplines, theories, technology, and research findings in an organic rather than in a mechanical way. The practitioner is potentially the most important OD technology available. Thus, in selecting an OD practitioner perhaps the most important issue is the fundamental question, “How effective has the person been in the past, with what kinds of organizations, using what kinds of techniques?” In other words, references must be checked. Interpersonal relationships are tremendously important, but even con artists have excellent interpersonal relationships and skills.
The burden of choosing an effective OD practitioner should not rest entirely with the client organization. Few managers are sophisticated enough to detect or to understand subtle differences in expertise among OD professionals, and they often do not understand the difference between intervention specialties. Thus, practitioners should help educate potential clients, being explicit about their strengths and weaknesses and their range of competence. If OD professionals realize that a good match does not exist, they should inform the client and help them find more suitable help.

**DEVELOPING A CONTRACT**

The activities of entering an OD relationship are a necessary prelude to developing an OD contract. They define the major focus for contracting, including the relevant parties. Contracting is a natural extension of the entering process and clarifies how the OD process will proceed. It typically establishes the expectations of the parties, the time and resources that will be expended, and the ground rules under which the parties will operate.

The goal of contracting is to make a good decision about how to carry out the OD process. It can be relatively informal and involve only a verbal agreement between the client and the OD practitioner. A team leader with OD skills, for example, may voice his or her concerns to members about how the team is functioning. After some discussion, they might agree to devote one hour of future meeting time to diagnosing the team with the help of the leader. Here, entering and contracting are done together, informally. In other cases, contracting can be more protracted and result in a formal document. That typically occurs when organizations employ outside OD practitioners. Government agencies, for example, generally have procurement regulations that apply to contracting with outside consultants.

Regardless of the level of formality, all OD processes require some form of explicit contracting those results in either a verbal or a written agreement. Such contracting clarifies the client’s and the practitioner’s expectations about how the OD process will take place. Unless there is mutual understanding and agreement about the process, there is considerable risk that someone’s expectations will be unfulfilled. That can lead to reduced commitment and support, to misplaced action, or to premature termination of the process. The contracting step in OD generally addresses three key areas: setting mutual expectations or what each party expects to gain from the OD process; the time and resources that will be devoted to it; and the ground rules for working together.

**Mutual Expectations**

This part of the contracting process focuses on the expectations of the client and the OD practitioner. The client states the services and outcomes to be provided by the OD practitioner and describes what the organization expects from the process and the consultant. Clients usually can describe the desired outcomes, such as lower costs or higher job satisfaction. Encouraging them to
state their wants in the form of outcomes, working relationships, and personal accomplishments can facilitate the development of a good contract. The OD practitioner also should state what he or she expects to gain from the OD process. This can include opportunities to try new interventions, report the results to other potential clients, and receive appropriate compensation or recognition.

**Time and Resources**

To accomplish change, the organization and the OD practitioner must commit time and resources to the effort. Each must be clear about how much energy and how many resources will be dedicated to the change process. Failure to make explicit the necessary requirements of a change process can quickly ruin an OD effort. For example, a client may clearly state that the assignment involves diagnosing the causes of poor productivity in a work group. However, the client may expect the practitioner to complete the assignment without talking to the workers. Typically, clients want to know how much time will be necessary to complete the assignment, who needs to be involved? How much it will cost? And so on.

Block has suggested that resources can be divided into two parts. Essential requirements are things that are absolutely necessary if the change process is to be successful. From the practitioner’s perspective, they can include access to key people or information, enough time to do the job, and commitment from certain stakeholder groups. The organization’s essential requirements might include a speedy diagnosis or assurances that the project will be conducted at the lowest price. Being clear about the constraints on carrying out the assignment will facilitate the contracting process and improve the chances for success. Desirable requirements are those things that would be nice to have but are not absolutely necessary, such as access to special resources or written rather than verbal reports.

**Ground Rules**

The final part of the contracting process involves specifying how the client and the OD practitioner will work together. The parameters established may include such issues as confidentiality, if and how the OD practitioner will become involved in personal or interpersonal issues, how to terminate the relationship, and whether the practitioner is supposed to make expert recommendations or help the manager make decisions. For internal consultants, organizational politics make it especially important to clarify issues of how to handle sensitive information and how to deliver “bad news.” Such process issues are as important as the needed substantive changes. Failure to address the concerns may mean that the client or the practitioner has inappropriate assumptions about how the process will unfold.

**INTERPERSONAL PROCESS ISSUES IN ENTERING AND CONTRACTING**
In most cases, the client’s expectations, resources, and working relationship requirements will not fit perfectly with the OD practitioner’s essential and desirable requirements. Negotiating the differences to improve the likelihood of success can be intra- and interpersonally challenging.

Entering and contracting are the first exchanges between a client and an OD practitioner. Establishing a healthy relationship at the outset makes it more likely that the client’s desired outcomes will be achieved and that the OD practitioner will be able to improve the organization’s capacity to manage change in the future. In the initial stage is full of uncertainty and ambiguity. On the one hand, the client is likely to feel exposed, inadequate, or vulnerable. The organization’s current effectiveness and the request for help may seem to the client like an admission that they are incapable of solving the problem or providing the leadership necessary to achieve a set of results. Moreover, they are entering into a relationship where they may feel unable to control the activities of the OD practitioner. As a result, they feel vulnerable because of their dependency on the practitioner to provide assistance.

Consciously or unconsciously, feelings of exposure, inadequacy, or vulnerability may lead the client to resist coming to closure on the contract. The OD practitioner must be alert to the signs of resistance, such as asking for extraordinary amounts of detail, and be able to address them skillfully. On the other hand, the OD practitioner may have feelings of empathy, unworthiness, and dependency. The practitioner may over identify with the client’s issues and want to be so helpful that he or she agrees to unreasonable deadlines or inadequate resources. The practitioner’s desire to be seen as competent and worthy may lead to an agreement on a project for which the practitioner has few skills or experience. Finally, in response to reasonable client requests, the practitioner may challenge the client’s motivation and become defensive. Schein notes that OD practitioners too often underestimate or ignore the power and impact of entry and contracting as an intervention in their own right.

With even the simplest request for help, there are a numerous of things the OD practitioner, entering a system for the first time, does not know. Establishing a relationship with a client must be approached carefully; the initial contacts and conversations must represent a model of how the OD process will be conducted. As a result, actually coming to agreement during the contracting phase can be difficult and intense. A number of complex emotional and psychological issues are in play, and OD practitioners must be mindful of their own as well as the client’s perspectives. Attending to those issues as well as to the content of the contract will help increase the likelihood of success.

**ORGANIZATIONAL TRANSFORMATION**

**Definition**

Organizational Transformation is a term referring collectively to such activities as reengineering, redesigning and redefining business systems. The dominant enabling technology in transforming organization is information and technology. As business model change rapidly in the financial environment and mergers and acquisition change the face of the organization. So, organization continually need to:
a. A flexible, effective and efficient organization.
b. A customer-centric approach to organizational activities
c. Recognition of current strengths to create a more productive environment
d. Understanding and reaping the benefits of competitive IT and business alignment
e. Promotion of an integrated approach to IT and business

Three Types of Transformation

1. Improving Operation: To achieve a quantum improvement in the firm's efficiency, often by reducing costs, improving quality and services and reducing development time.

2. Strategic Transformation: The process of changing strategy seeks to regain a sustainable competitive advantage by redefining business objectives, creating new competences and harnessing these capabilities to meet market opportunities.

3. Corporate Self-Renewal: Self-Renewal creates the ability for a firm to anticipate and cope with change so that strategic and operational gap does not develop.

Phases of Transformation

Phase-1: It begins with the automation of existing activities to reduce cost and raise capacities and expands to encompass a broader range of applications to optimize operations.

Phase-2: It focuses on adding features, functions, value-added processes and new service to the core business.

Phase 3: It may become principal vehicles for growth; the existing business can be redefined.
Transformation Strategies: There are various strategies to transform organization. It may be followed:

1. **Transformation through Values:** In the changing business environment, values are guiding force for the companies. Values are nothing but something we hold dear, something that reflects an ideal or an ethic. A value to individual is purpose & meaning of life. Values to an organization are foundations of culture. Organization should choose values i) compatible with society's core values, ii) Based on sublimation of basic human urges, iii) compatible with purpose & operating context and iv) compatible with third world context.

2. **Transformation through Organization Development:** Most people and organizations are riot prepared for the vastly accelerated pace of change. OD appears to be one of the primarily methods for this. Organization Development rests on three basic propositions:

   - Organizations change forms through the age. The changes taking place in that age make it necessary to revitalize and rebuild organizations.
   - The only way to change organizations lies in changing the climate of the organization.
   - A new social awareness is required by people in organizations.

   In short, the basic thrust behind OD is that the world is rapidly changing and that our organizations must follow suit. Greiner identified what he considered to be the seven most commonly used approaches to change.

   a) The Decree Approach
b) The Replacement Approach

c) The Structural Approach

d) The Group Decision Approach

e) The Data Discussion Approach

f) The Group Problem Solving Approach

g) The T-Group Approach

3. **Transformation through Reengineering**: Reengineering is revolutionary, challenging the operation and even existence of fundamental processes. It not only improves the old way of doing business, it seeks to create a new and better way.

4. **Transformation through McKinsey's Plan**: A ten point blueprint for an organization

   a) Organize primarily around process, not task.

   b) Flatten the hierarchy by minimizing subdivision of processes.

   c) Give senior leaders charge of processes & process performance.

   d) Link performance objectives & evaluation of all activities to customer satisfaction.

   e) More teams, not individuals, the focus of organization performance and design.

   f) Combine managerial and non-managerial activities as often as possible.

   g) Emphasize that each employee should develop several competencies.

   h) Inform & Train people on a just-in-time, need to perform basis.

   i) Maximize supplier and customer contact with everyone in the organization.

   j) Reward individual skill development and team performance instead of individual performance alone.

5. **Transformation through Competitive Benchmarking**: Benchmarking is the continuous process of measuring products, services and practices against the toughest competitions or those companies recognize as industry leaders.

6. **Transformation through Six Sigma**: It is the statistical parameter used to describe variation. It can be described as going from approximately 35,000 defects per million
operation to not more than 3 defects per million. It focuses on achieving tangible results as well as speaks the language of business. It uses as an infrastructure of highly trained employees from various sectors of the company.

7. Transformation through Kaizen Principle

a) Small Improvement

b) Conventional Knowledge

c) Personal Involvement

d) Many people

e) Improve the process

f) Standardize - Do- Check- Act to Plan-Do-Check-Act

UNIT – V

DIAGNOSIS & FEATURE OF OD

DIAGNOSIS

Diagnosis is the process of understanding how the organization is currently functioning, and it provides the information necessary to design change interventions. It generally follows from successful entry and contracting, which set the stage for successful diagnosis. Those processes help OD practitioners and client members jointly determine organizational issues to focus on, how to collect and analyze data to understand them, and how to work together to develop action steps from the diagnosis. In another sense, diagnosis is happening all the time. Managers, organization members, and OD practitioners are always trying to understand the drivers of organization effectiveness, and how and why change is proceeding in a particular way.

Unfortunately, the term diagnosis can be misleading when applied to organizations. It suggests a model of organization change analogous to the medical model of diagnosis: An organization (patient) experiencing problems seeks help from an OD practitioner (doctor); the practitioner examines the organization, finds the causes of the problems, and prescribes a solution. Diagnosis in organization development, however, is much more collaborative than such a medical perspective implies and does not accept the implicit assumption that something is wrong with the organization.

First, the values and ethical beliefs that underlie OD suggest that both organization members and change agents should be involved in discovering the determinants of current organization effectiveness. Similarly, both should be involved actively in developing appropriate
interventions and implementing them. For example, a manager might seek an OD practitioner’s help to reduce absenteeism in his or her department.

The manager and an OD consultant jointly might decide to diagnose the cause of the problem by examining company absenteeism records and by interviewing selected employees about possible reasons for absenteeism. Alternatively, they might examine employee loyalty and discover the organizational elements that encourage people to stay. Analysis of those data could uncover determinants of absenteeism or loyalty in the department, thus helping the manager and the OD practitioner jointly to develop an appropriate intervention to address the issue.

Second, the medical model of diagnosis also implies that something is wrong with the patient and that one needs to uncover the cause of the illness. In those cases where organizations do have specific problems, diagnosis can be problem oriented, seeking reasons for the problems. On the other hand, as suggested by the absenteeism example above, the OD practitioner and the client may choose one of the newer views of organization change and frame the issue positively. Additionally, the client and the OD practitioner may be looking for ways to enhance the organization’s existing functioning.

Many managers involved with OD are not experiencing specific organizational problems. Here, diagnosis is development oriented. It assesses the current functioning of the organization to discover areas for future development. For example, a manager might be interested in using OD to improve a department that already seems to be functioning well. Diagnosis might include an overall assessment of both the task performance capabilities of the department and the impact of the department on its individual members. This process seeks to uncover specific areas for future development of the department’s effectiveness.

In organization development, diagnosis is used more broadly than a medical definition would suggest. It is a collaborative process between organization members and the OD consultant to collect pertinent information, analyze it, and draw conclusions for action planning and intervention. Diagnosis may be aimed at uncovering the causes of specific problems, focused on understanding effective processes, or directed at assessing the overall functioning of the organization or department to discover areas for future development. Diagnosis provides a systematic understanding of organizations so that appropriate interventions may be developed for solving problems and enhancing effectiveness.

THE NEED FOR DIAGNOSTIC MODELS

Entry and contracting processes can result in a need to understand either a whole system or some part, process, or feature of the organization. To diagnose an organization, OD practitioners and organization members need to have an idea about what information to collect and analyze. Choices about what to look for invariably depend on how organizations are perceived. Such perceptions can vary from intuitive hunches to scientific explanations of how organizations function. Conceptual frameworks that people use to understand organizations are referred to as
“diagnostic models.” They describe the relationships among different features of the organization, as well as its context and its effectiveness. As a result, diagnostic models point out what areas to examine and what questions to ask in assessing how an organization is functioning.

However, all models represent simplifications of reality and therefore choose certain features as critical. As we know, the positive model of change supports the conclusion that focusing attention on those features, often to the exclusion of others, can result in a biased diagnosis. For example, a diagnostic model that relates team effectiveness to the handling of interpersonal conflict would lead an OD practitioner to ask questions about relationships among members, decision-making processes, and conflict resolution methods. Although relevant, those questions ignore other group issues such as the composition of skills and knowledge, the complexity of the tasks performed by the group, and member interdependencies. Thus, diagnostic models and processes must be chosen carefully to address the organization’s presenting problems as well as to ensure comprehensiveness.

Potential diagnostic models are everywhere. Any collection of concepts and relationships that attempts to represent a system or explain its effectiveness can potentially qualify as a diagnostic model. Major sources of diagnostic models in OD are the thousands of articles and books that discuss, describe, and analyze how organizations function. They provide information about how and why certain organizational systems, processes, or functions are effective. The studies often concern a specific facet of organizational behavior, such as employee stress, leadership, motivation, problem solving, group dynamics, job design, and career development. They also can involve the larger organization and its context, including the environment, strategy, structure, and culture. Diagnostic models can be derived from that information by noting the dimensions or variables that are associated with an organization’s effectiveness.

Another source of diagnostic models is OD practitioners’ experience in organizations. That field knowledge is a wealth of practical information about how organizations operate. Unfortunately, only a small part of that vast experience has been translated into diagnostic models that represent the professional judgments of people with years of experience in organizational diagnosis. The models generally link diagnosis with specific organizational processes, such as group problem solving, employee motivation, or communication between managers and employees. The models list specific questions for diagnosing such processes.

**DIAGNOSING GROUPS AND JOBS**

**GROUP-LEVEL DIAGNOSIS**

The model is similar to other popular group-level diagnostic models such as Hackman and Morris’s task group design model, McCaskey’s framework for analyzing groups, and Ledford, Lawler, and Mohrman’s participation group design model.
Inputs

*Organization design* is clearly the major input to group design. It consists of the design components characterizing the larger organization within which the group is embedded: technology, structure, measurement systems, and human resources systems, as well as organization culture. Technology can determine the characteristics of the group’s task; structural systems can specify the level of coordination required among groups. The human resources and measurement systems, such as performance appraisal and reward systems, play an important role in determining team functioning. For example, individual-based, forced ranking performance appraisal and reward systems tend to interfere with team functioning because members may be concerned with maximizing their individual performance to the detriment of team performance. Collecting information about the group’s organization design context can greatly improve the accuracy of diagnosis.

Design Components

From the Figure it shows that groups have five major components: goal clarity, task structure, group composition, team functioning, and performance norms.

1. **Goal clarity** involves how well the group understands its objectives. In general, goals should be moderately challenging; there should be a method for measuring, monitoring, and feeding back information about goal achievement; and the goals should be clearly understood by all members.

2. **Task structure** is concerned with how the group’s work is designed. Task structures can vary along two key dimensions: coordination of members’ efforts and regulation of their task behaviors. The coordination dimension involves the degree to which group tasks are structured to promote effective interaction among group members. Coordination is important in groups performing interdependent tasks, such as surgical teams and problem-solving groups. It is relatively unimportant, however, in groups composed of members who perform independent tasks, such as a group of telephone operators or salespeople. The regulation dimension involves the degree to which members can control their own task behaviors and be relatively free from external controls such as supervision, plans, and programs. Self-regulation generally occurs when members can decide on such issues as task assignments, work methods, production goals, and membership.

3. **Group composition** concerns the membership of groups. Members can differ on a number of dimensions having relevance to group behavior. Demographic variables, such as age, education, experience, and skills and abilities, can affect how people behave and relate to each other in groups. Demographics can determine whether the group is composed of people having task-relevant skills and knowledge, including interpersonal skills. People’s internal needs also can influence group behaviors. Individual differences in social needs can determine whether group membership is likely to be satisfying or stressful.
4. **Team functioning** is the underlying basis of group life. How members relate to each other is important in work groups because the quality of relationships can affect task performance. In some groups, for example, interpersonal competition and conflict among members result in their providing little support and help for each other. Conversely, groups may become too concerned about sharing good feelings and support and spend too little time on task performance. In organization development, considerable effort has been invested in helping work group members develop healthy interpersonal relations, including an ability and a willingness to share feelings and perceptions about members’ behaviors so that interpersonal problems and task difficulties can be worked through and resolved. Group functioning, therefore, involves task-related activities, such as advocacy and inquiry; coordinating and evaluating activities; and the group maintenance function, which is directed toward holding the group together as a cohesive team and includes encouraging, harmonizing, compromising, setting standards, and observing.

5. **Performance norms** are member beliefs about how the group should perform its task and include acceptable levels of performance. Norms derive from interactions among members and serve as guides to group behavior. Once members agree on performance norms, either implicitly or explicitly, then members routinely perform tasks according to those norms. For example, members of problem-solving groups often decide early in the life of the group that decisions will be made through voting; voting then becomes a routine part of group task behavior.

**Outputs**

Group effectiveness has two dimensions: performance and quality of work life. Performance is measured in terms of the group’s ability to control or reduce costs, increase productivity, or improve quality. This is a “hard” measure of effectiveness. In addition, effectiveness is indicated by the group member’s quality of work life. It concerns work satisfaction, team cohesion, and organizational commitment.
Fits

The diagnostic model in Figure shows that group design components must fit inputs if groups are to be effective in terms of performance and the quality of work life. Research suggests the following fits between the inputs and design dimensions:

1. Group design should be congruent with the larger organization design. Organization structures with low differentiation and high integration should have work groups that are composed of highly skilled and experienced members performing highly interdependent tasks. Organizations with differentiated structures and formalized human resources and information systems should spawn groups that have clear, quantitative goals and that support standardized behaviors. Although there is little direct research on these fits, the underlying rationale is that congruence between organization and group designs supports overall integration within the company. When group designs are not compatible with organization designs, groups often conflict with the organization. They may develop norms that run counter to organizational effectiveness, such as occurs in groups supportive of horseplay, goldbricking, and other counterproductive behaviors.

2. When the organization’s technology results in interdependent tasks, coordination among members should be promoted by goal clarity, task structure, group composition, performance norms, and team functioning. Conversely, when technology permits independent tasks, the design components should promote individual task performance. For example, when coordination is needed, task structure might physically locate related tasks together; group composition might include members with similar interpersonal skills and social needs; performance norms would support task relevant interactions; and healthy interpersonal relationships would be developed.

3. When the technology is relatively uncertain and requires high amounts of information processing and decision making, then task structure, group composition, performance norms, and team functioning should promote self-regulation. Members should have the necessary freedom, information, and skills to assign members to appropriate tasks, to decide on production methods, and to set performance goals. When technology is relatively certain, group designs should promote standardization of behavior, and groups should be externally controlled by supervisors, schedules, and plans. For example, when self-regulation is needed, task structure might be relatively flexible and allow the interchange of members across group tasks; composition might include members with multiple skills, interpersonal competencies, and social needs; performance norms would support complex problem solving; and efforts would be made to develop healthy interpersonal relations.

INDIVIDUAL-LEVEL DIAGNOSIS

The final level of organizational diagnosis is the individual job or position. An organization consists of numerous groups; a group, in turn, is composed of several individual jobs. This section
discusses the inputs, design components, and relational fits needed for diagnosing jobs. The model shown in Figure is similar to other popular job diagnostic frameworks, such as Hackman and Oldham’s job diagnostic survey and Herzberg’s job enrichment model.

**Inputs**

Three major inputs affect job design: organization design, group design, and the personal characteristics of jobholders.

1. **Organization design** is concerned with the larger organization within which the individual job is the smallest unit. Organization design is a key part of the larger context surrounding jobs. Technology, structure, measurement systems, human resources systems, and culture can have a powerful impact on the way jobs are designed and on people’s experiences in jobs. For example, company reward systems can orient employees to particular job behaviors and influence whether people see job performance as fairly rewarded. In general, technology characterized by relatively uncertain tasks and low interdependency is likely to support job designs allowing employees flexibility and discretion in performing tasks. Conversely, low-uncertainty work systems are likely to promote standardized job designs requiring routinized task behaviors.

2. **Group design** concerns the larger group or department containing the individual job. Like organization design, group design is an essential part of the job context. Task structure, goal clarity, group composition, performance norms, and team functioning serve as inputs to job design. They typically have a more immediate impact on jobs than do the larger, organization design components. For example, group task structure can determine how individual jobs are grouped together—as in groups requiring coordination among jobs or in ones comprising collections of independent jobs. Group composition can influence the kinds of people who are available to fill jobs. Group performance norms can affect the kinds of job designs that are considered acceptable, including the level of jobholders’ performances. Goal clarity helps members to prioritize work, and group functioning can affect how powerfully the group influences job behaviors. When members maintain close relationships and the group is cohesive, group norms are more likely to be enforced and followed.
3. **Personal characteristics** of individuals occupying jobs include their age, education, experience, and skills and abilities. All of these can affect job performance as well as how people react to job designs. Individual needs and expectations can also affect employee job responses. For example, individual differences in growth need—the need for self-direction, learning, and personal accomplishment—can determine how much people are motivated and satisfied by jobs with high levels of skill variety, autonomy, and feedback about results. Similarly, work motivation can be influenced by people’s expectations that they can perform a job well and that good job performance will result in valued outcomes.

**Design Components**

Figure shows that individual jobs have five key dimensions: skill variety, task identity, task significance, autonomy, and feedback about results.

1. **Skill variety** identifies the degree to which a job requires a range of activities and abilities to perform the work. Assembly line jobs, for example, generally have limited skill variety because employees perform a small number of repetitive activities. On the other hand, most professional jobs, include a great deal of skill variety because people engage in diverse activities and employ several different skills in performing their work.

2. **Task identity** measures the degree to which a job requires the completion of a relatively whole, identifiable piece of work. Skilled craftspeople, such as tool-and-die makers and carpenters, generally have jobs with high levels of task identity. They are able to see a job through from beginning to end. Assembly line jobs involve only a limited piece of work and score low on task identity.

3. **Task significance** identifies the degree to which a job has a significant impact on other people’s lives. Custodial jobs in a hospital are likely to have more task significance than similar jobs in a toy factory because hospital custodians are likely to see their jobs as affecting someone else’s health and welfare.

4. **Autonomy** indicates the degree to which a job provides freedom and discretion in scheduling the work and determining work methods. Assembly line jobs generally have little autonomy: The work place is scheduled, and people perform preprogrammed tasks. College teaching positions have more autonomy: Professors usually can determine how a course is taught, even though they may have limited say over class scheduling.

5. **Feedback** about results involves the degree to which a job provides employees with direct and clear information about the effectiveness of task performance. Assembly line jobs often provide high levels of feedback about results, whereas college professors must often contend with indirect and ambiguous feedback about how they are performing in the classroom.
Those five job dimensions can be combined into an overall measure of job enrichment. Enriched jobs have high levels of skill variety, task identity, task significance, autonomy, and feedback about results. They provide opportunities for self-direction, learning, and personal accomplishment at work. Many people find enriched jobs internally motivating and satisfying.

Fits

The diagnostic model in Figure suggests that job design must fit job inputs to produce effective job outputs, such as high quality and quantity of individual performance, low absenteeism, and high job satisfaction. Research reveals the following fits between job inputs and job design:

1. Job design should be congruent with the larger organization and group designs within which the job is embedded. Both the organization and the group serve as a powerful context for individual jobs or positions. They tend to support and reinforce particular job designs. Highly differentiated and integrated organizations and groups that permit members to self-regulate their behavior fit enriched jobs. These larger organizations and groups promote autonomy, flexibility, and innovation at the individual job level. Conversely, bureaucratic organizations and groups relying on external controls are congruent with job designs scoring low on the five key dimensions. Both organizations and groups reinforce standardized, routine jobs. As suggested earlier, congruence across different levels of organization design promotes integration of the organization, group, and job levels. Whenever the levels do not fit each other, conflict is likely to emerge.

2. Job design should fit the personal characteristics of the jobholders if they are to perform effectively and derive satisfaction from work. Generally, enriched jobs fit people with strong growth needs. These people derive satisfaction and accomplishment from performing jobs involving skill variety, autonomy, and feedback about results. Enriched jobs also fit people possessing moderate to high levels of task-relevant skills, abilities, and knowledge. Enriched jobs generally require complex information processing and decision making; people must have comparable skills and abilities to perform effectively. Jobs scoring low on the five job dimensions generally fit people with rudimentary skills and abilities and with low growth needs. Simpler, more routinized jobs requiring limited skills and experience fit better with people who place a low value on opportunities for self-direction and learning. In addition, because people can grow through education, training, and experience, job design must be monitored and adjusted from time to time.

FEEDBACK DIAGNOSTIC INFORMATION

The most important step in the diagnostic process is feeding back diagnostic information to the client organization. Although the data may have been collected with the client’s help, the OD practitioner often organizes and presents them to the client. Properly analyzed and meaningful data can have an impact on organizational change only if organization members can use the information...
to devise appropriate action plans. A key objective of the feedback process is to be sure that the client has ownership of the data.

DETERMINING THE CONTENT OF THE FEEDBACK

In the course of diagnosing the organization, a large amount of data is collected. In fact, there is often more information than the client needs or can interpret in a realistic period of time. If too many data are fed back, the client may decide that changing is impossible. Therefore, OD practitioners need to summarize the data in ways that enable clients to understand the information and draw action implications from it. The criteria for determining the content of diagnostic feedback are described below.

Several characteristics of effective feedback data have been described in the literature. They include the following nine properties:

1. **Relevant**: Organization members are likely to use feedback data for problem solving when they find the information meaningful. Including managers and employees in the initial data collection activities can increase the relevance of the data.

2. **Understandable**: Data must be presented to organization members in a form that is readily interpreted. Statistical data, for example, can be made understandable through the use of graphs and charts.

3. **Descriptive**: Feedback data need to be linked to real organizational behaviors if they are to arouse and direct energy. The use of examples and detailed illustrations can help employees gain a better feel for the data.

4. **Verifiable**: Feedback data should be valid and accurate if they are to guide action. Thus, the information should allow organization members to verify whether the findings really describe the organization. For example, questionnaire data might include information about the sample of respondents as well as frequency distributions for each item or measure. Such information can help members verify whether the feedback data accurately represent organizational events or attitudes.

5. **Timely**: Data should be fed back to members as quickly as possible after being collected and analyzed. This will help ensure that the information is still valid and is linked to members’ motivations to examine it.

6. **Limited**: Because people can easily become overloaded with too much information, feedback data should be limited to what employees can realistically process at one time.

7. **Significant**: Feedback should be limited to those problems that organization members can do something about because it will energize them and help direct their efforts toward realistic changes.
8. **Comparative:** Feedback data can be ambiguous without some benchmark as a reference. Whenever possible, data from comparative groups should be provided to give organization members a better idea of how their group fits into a broader context.

9. **Un-finalized:** Feedback is primarily a stimulus for action and thus should spur further diagnosis and problem solving. Members should be encouraged, for example, to use the data as a starting point for more in-depth discussion of organizational issues.

**CHARACTERISTICS OF THE FEEDBACK PROCESS**

In addition to providing effective feedback data, it is equally important to attend to the process by which that information is fed back to people. Typically, data are provided to organization members in a meeting or series of meetings. Feedback meetings provide a forum for discussing the data, drawing relevant conclusions, and devising preliminary action plans. Because the data might include sensitive material and evaluations about organization members’ behaviors, people may come to the meeting with considerable anxiety and fear about receiving the feedback. This anxiety can result in defensive behaviors aimed at denying the information or providing rationales. More positively, people can be stimulated by the feedback and the hope that desired changes will result from the feedback meeting. Because people are likely to come to feedback meetings with anxiety, fear, and hope, OD practitioners need to manage the feedback process so that constructive discussion and problem solving occur. The most important objective of the feedback process is to ensure that organization members own the data.

Ownership is the opposite of resistance to change and refers to people’s willingness to take responsibility for the data, their meaning, and the consequences of using them to devise a change strategy. If the feedback session results in organization members rejecting the data as invalid or useless, then the motivation to change is lost and members will have difficulty engaging in a meaningful process of change. Ownership of the feedback data is facilitated by the following five features of successful feedback processes:

1. **Motivation to work with the data:** People need to feel that working with the feedback data will have beneficial outcomes. This may require explicit sanction and support from powerful groups so that people feel free to raise issues and to identify concerns during the feedback sessions. If people have little motivation to work with the data or feel that there is little chance to use the data for change, then the information will not be owned by the client system.

2. **Structure for the meeting:** Feedback meetings need some structure or they may degenerate into chaos or aimless discussion. An agenda or outline for the meeting and the presence of a discussion leader can usually provide the necessary direction. If the meeting is not kept on track, especially when the data are negative, ownership can be lost in conversations that become too general. When this happens, the energy gained from dealing directly with the problem is lost.
3. **Appropriate attendance.** Generally, people who have common problems and can benefit from working together should be included in the feedback meeting. This may involve a fully intact work team or groups comprising members from different functional areas or hierarchical levels. Without proper representation in the meeting, ownership of the data is lost because participants cannot address the problem(s) suggested by the feedback.

4. **Appropriate power:** It is important to clarify the power possessed by the group. Members need to know on which issues they can make necessary changes, on which they can only recommend changes, and over which they have no control. Unless there are clear boundaries, members are likely to have some hesitation about using the feedback data for generating action plans. Moreover, if the group has no power to make changes, the feedback meeting will become an empty exercise rather than a real problem-solving session. Without the power to address change, there will be little ownership of the data.

5. **Process help:** People in feedback meetings require assistance in working together as a group. When the data are negative, there is a natural tendency to resist the implications, deflect the conversation onto safer subjects, and the like. An OD practitioner with group process skills can help members stay focused on the subject and improve feedback discussion, problem solving, and ownership.

**SURVEY FEEDBACK**

Survey feedback is a process of collecting and feeding back data from an organization or department through the use of a questionnaire or survey. The data are analyzed, fed back to organization members, and used by them to diagnose the organization and to develop interventions to improve it. Because questionnaires often are used in organization diagnosis, particularly in OD efforts involving large numbers of participants, and because it is a powerful intervention in its own right, survey feedback is discussed here as a special case of data feedback.

Survey feedback is a major technique in the history and development of OD. Originally, this intervention included only data from questionnaires about members’ attitudes. However, attitudinal data can be supplemented with interview data and more objective measures, such as productivity, turnover, and absenteeism. Another trend has been to combine survey feedback with other OD interventions, including work design, structural change, large-group interventions, and intergroup relations. These change methods are the outcome of the planning and implementation phase following from survey feedback.

**Steps in Survey feedback:** Survey feedback generally involves the following five steps:

1. **Members of the organization, including those at the top, are involved in preliminary planning of the survey.** In this step, all parties must be clear about the level of analysis
(organization, department, or small group) and the objectives of the survey. Because most surveys derive from a model about organizational or group functioning, organization members must, in effect, approve that diagnostic framework.

This is an important initial step in gaining ownership of the data and in ensuring that the right problems and issues are addressed by the survey. Once the objectives are determined, the organization can use one of the standardized questionnaires, or it can develop its own survey instrument. If the survey is developed internally, pre-testing the questionnaire is essential to ensure that it has been constructed properly. In either case, the survey items need to reflect the objectives established for the survey and the diagnostic issues being addressed.

2. The survey instrument is administered to all members of the organization or department. This breadth of data collection is ideal, but it may be appropriate to administer the instrument to only a sample of members because of cost or time constraints. If so, the size of the sample should be as large as possible to improve the motivational basis for participation in the feedback sessions.

3. The OD consultant usually analyzes the survey data, tabulates the results, suggests approaches to diagnosis, and trains client members to lead the feedback process. Data feedback usually begins at the top of the organization and cascades downward to groups reporting to managers at successively lower levels: This waterfall approach ensures that all groups at all organizational levels involved in the survey receive appropriate feedback. Most often, members of each organization group at each level discuss and deal with only that portion of the data involving their particular group. They, in turn, prepare to introduce data to groups at the next lower organizational level if appropriate.

Data feedback also can occur in a “bottom-up” approach. Initially, the data for specific work groups or departments are fed back and action items proposed. At this point, the group addresses problems and issues within its control. The group notes any issues that are beyond its authority and suggests actions. That information is combined with information from groups reporting to the same manager, and the combined data are fed back to the managers who review the data and the recommended actions. Problems that can be solved at this level are addressed. In turn, their analyses and suggestions regarding problems of a broader nature are combined, and feedback and action sessions proceed up the hierarchy. In such a way, the people who most likely will carry out recommended action get the first chance to propose suggestions.

4. Feedback meetings provide an opportunity to work with the data. At each meeting, members discuss and interpret their data, diagnose problem areas, and develop action plans. OD practitioners can play an important role during these meetings, facilitating group discussion to produce accurate understanding, focusing the group on its strengths and weaknesses, and helping to develop effective action plans.
SURVEY FEEDBACK AND ORGANIZATIONAL DEPENDENCIES

Traditionally, the steps of survey feedback have been applied to work groups and organizational units with little attention to dependencies among them. Research suggests, however, that the design of survey feedback should vary depending on how closely the participating units are linked with one another. When the units are relatively independent and have little need to interact, survey feedback can focus on the dynamics occurring within each group and can be applied to the groups separately. When there is greater dependency among units and they need to coordinate their efforts, survey feedback must take into account relationships among the units, paying particular attention to the possibility of intergroup conflict. In these situations, the survey-feedback process needs to be coordinated across the interdependent groups. The process will typically be managed by special committees and task forces representing the groups. They will facilitate the intergroup confrontation and conflict resolution generally needed when relations across groups are diagnosed.

Limitations of Survey Feedback: Although the use of survey feedback is widespread in contemporary organizations, the following limits and risks have been identified:

1. **Ambiguity of purpose:** Managers and staff groups responsible for the survey-feedback process may have difficulty reaching sufficient consensus about the purposes of the survey, its content, and how it will be fed back to participants. Such confusion can lead to considerable disagreement over the data collected and paralysis about doing anything with them.

2. **Distrust:** High levels of distrust in the organization can render the survey feedback ineffective. Employees need to trust that their responses will remain anonymous and that management is serious about sharing the data and solving problems jointly.

3. **Unacceptable topics:** Most organizations have certain topics that they do not want examined. This can severely constrain the scope of the survey process, particularly if the neglected topics are important to employees.

4. **Organizational disturbance:** The survey-feedback process can unduly disturb organizational functioning. Data collection and feedback typically infringe on employee work time. Moreover, administration of a survey can call attention to issues with which management is unwilling to deal, and can create unrealistic expectations about organizational improvement.

FUTURE DIRECTIONS IN ORGANIZATION DEVELOPMENT

The field of organization development continues to grow. New methods and interventions are being applied, more complex and rigorous research is being conducted, and organizations from more diverse countries and cultures are becoming involved. Because so much change has occurred in a relatively brief period, predicting the future of OD is risky if not foolhardy. On the other hand, the field is also maturing and it is useful to look at the forces influencing how OD is likely to evolve. This knowledge can enable OD practitioners, researchers, and managers to more readily affect a relevant OD future.
Trends within Organization Development

Traditional

The first trend has to do with increasing calls for a return to OD’s traditional values and practices. Championed by the National Training Laboratories (NTL) and others, traditionalists argue that OD should be driven by long-established values of human potential, equality, trust, and collaboration. The major objective of OD should be to promulgate these root values through interventions that humanize work, organizations, and society; help employees balance work and family life; promote diversity and spirituality at the workplace; and champion the self-actualization of organization members. Thus, traditionalists propose that OD should do what is “right” by assuring that organizations promote positive social change and corporate citizenship. A strong focus on process interventions also characterizes the traditional trend. OD’s key purpose, according to this view, is to ensure that organizational processes are transparent, possess integrity, treat people with dignity, and serve diverse stakeholders. Thus, OD’s primary goal is to help organizations create such processes; whether they subsequently lead to performance outcomes is of secondary importance.

Pragmatic

The second trend within OD is related to increasing demands for professionalization of the field and an emphasis on relevance. Championed by the change management practices at large consulting firms and some OD professional associations, pragmatists argue that OD practitioners should be certified like most other professionals. This drive to professionalize OD is in response to a growing number of people marketing themselves as OD practitioners without any formal training or education in the field, as well as a lack of consistency in applying OD’s core theories, skills, and interventions.

As a result, distinguishing between qualified and unqualified OD practitioners can be a difficult challenge for organizations, and professionalization of the field can help to remedy that problem. To become a profession, according to pragmatists, OD should require certification of members, create a common body of knowledge, define minimum levels of competencies, and institute other regulatory infrastructure. Certification would create boundaries between who is (and is not) an OD professional and what is (and is not) OD practice.

The pragmatic trend is also distinguished by an emphasis on change technologies, typically under the banner of “change management.” In contrast to OD’s “soft” reputation, change management is viewed as a highly relevant and applied practice, much like medicine, engineering, or accounting. It focuses on helping organizations implement change and adapt to turbulent environments. Relevance, a minor chord among traditionalists, is a major theme among pragmatists, who value the performance outcomes of OD work. Thus, process interventions are not seen as ends in themselves but as means for implementing change and achieving the desired results.
Scholarly / Academic

The third trend within OD is connected with the increasing number of people making research contributions to our understanding of change. Championed by universities and applied research centers, such as USC’s Center for Effective Organizations and MIT’s Society of Organization Learning, scholars propose a “research agenda” for OD that includes:

- How multiple contexts and levels of analysis affect organizational change;
- The inclusion of time, history, process, and action in theories of change;
- The link between change processes and organization performance;
- The comparative analysis of international and cross-cultural OD interventions;
- The study of receptivity, customization, sequencing, pace, and episodic versus continuous change processes; and
- The partnership between scholars and practitioners in studying organizational change.

The scholarly perspective focuses on understanding, predicting, and controlling change. It is far less concerned about how OD is defined, what its values are, how it is practiced, or whether an OD practitioner is involved except as potential explanations for change success. OD is just one of several ways organizations can be changed. Unlike traditionalists and pragmatists, scholars are concerned with creating valid knowledge, and with generalizing conclusions about how change occurs, how it is triggered, under what conditions it works well, and so on. Similar to the traditional and pragmatic trends, however, the scholarly trend is connected to the actors involved in change; its favored methodology is action research but from a more distant and detached perspective than the other two trends.