

**MBA DE                      ORGANISATIONAL DEVELOPMENT AND CHANGE**  
**LESSON 1                    ORGANIZATIONAL CHANGE**

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## **1.0 OBJECTIVES**

After going through this lesson, you will be able to understand the importance of Organizational Change. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the major changes that may impact the area of Organizational Change.

### **1.1 INTRODUCTION**

Whenever we meet people, one of the most common question being asked is the ‘Who do you work for?’ and our reply is the name and place of the organization that pays us salary. So at the simplest level we can think of organizations as the physical spaces that we working and interact with. The employee and the organization have a binding force between them which are the various systems used to produce things. Of course the organizational goals play an important role there but the organizational goals are devised by the top management and might not be shared by all the employees. So organizations can be seen as people interacting in some kind of structured or organized way to achieve some defined purpose or goal. However, the interactions of people, as members of an organization, need managing to give shape and direction to their activities. This implies some structuring of their activities which in turn requires a set of organizational roles. In addition, the activities of individual organizational members and their interactions with one another imply processes through which work gets done in order to achieve Richard Daft (2013) defines the organization as a social entity that has goals and purpose, that has deliberately designed structures to control and monitor the activities of members, and operates within and is linked to an external environment.

Organizations are everywhere. We are surrounded by the organizations. It may be the educational institutions, service organizations, product manufacturers or product delivery firms, hospitals or hotels. We see organizations of different sizes around us every day. In other words, organizations are everywhere. Organizations are how we get things done. Organizations are even found in plants and animals — look at a bee colony, a reef, a lion pride, or an elephant herd and you’ll see organizations at work. And these organizations dccc are changing—some of them

declining and failing, while others successfully adapt or evolve, to meet the shifting realities and demands of their environments. What exactly is organizational change? What do we mean when we talk about it?

## **1.2 DEFINING ORGANIZATIONAL CHANGE**

When we think of organizational change, we think of major changes: expansions, adding a new products or product line, mergers, acquisitions, buyouts, downsizing, restructuring, and the outsourcing of major organizational activities. We can also think of lesser changes: departmental reorganizations, installations of new technology and incentive systems, shutting particular manufacturing lines, or opening new branches in other parts of the country—fine-tuning changes to improve the efficiency and operations of our organizations (Cawsey, Deszca, & Ingols, 2016).

The organizational change be defined as planned alterations of organizational components to improve the effectiveness of the organization'. Organizational components are the organizational mission, vision, values, culture, strategy, goals, structure, processes or systems, technology, and people in an organization. When organizations enhance their effectiveness, they increase their ability to generate value for their customers or stake holders across the board. Change may be internally or externally driven? It is essential for managers to be sensitive to what is happening inside and outside the organization, and adapt to those changes in the environment.

By our definition and focus, organizational change is intentional and planned. Someone in the organization has taken an initiative to alter a significant organizational component. This means a shift in something relatively permanent. Usually, something formal or systemic has to be altered.

Just look at the following examples -

(1) Take the case of Reliance Industries Limited. RIL traditionally known as a petroleum company decided to enter into telecom space. What made them enter into the telecom space? The answer may be the huge opportunity available in social media, entertainment, and information technology business, which could be cracked through telecom space. The other reason could be the shrinking petrol based or diesel based automobile industry.

(2) Another example may be like, a new customer relations system may be introduced that captures customer satisfaction and reports it to managers; or a new division is created and people are allocated to that division in response to a new organizational vision.

Simply doing more of the same is not an organizational change. For example, increasing existing sales efforts in response to a competitor's activities would not be classified as an organizational change. However, the restructuring of a sales force into two groups (B2B & B2C) or the modification of service offerings may be considered as organizational change.

Some organizational components, such as organizational structures and systems, are concrete and thus easier to understand when contemplating change. For example, production line or assembly lines can be reordered or have new technologies applied. The change is definable and the end point clear when it is done. Similarly, the alteration of a reward system or job design is concrete and can be documented. The creation of new positions, subunits, or departments is equally obvious. Such organizational changes are tangible and thus may be easier to make happen, because they are easier to understand. When the change target is more deeply imbedded in the organization and is intangible, the change challenge is magnified. For example, it is difficult to bring in a shift in organizational culture. A change leader can plan a change from one culture (egg. an authoritarian) to other one (a more participative culture). The major challenge in such change is to initiate the change and the sequencing of those initiatives to get a hold of the change initiatives. Simply announcing a new strategy or vision does not mean that anything significant will change since: *"You need to get the vision off the walls and into the halls"* (Cawsey, Deszca, & Ingols, 2016). A more manageable way to think of such a culture change is to identify concrete changes that reinforce the desired culture. If management alters reward systems, shifts decision making downward, and creates participative management committees, then management increases the likelihood that it will create cultural change over time. Sustained behavioral change occurs when people in the organization understand, accept, and act. Through their actions, the new vision or strategy becomes real.

### **1.3 FORCES DRIVING CHANGE**

There are various environmental forces acting upon the companies which are compelling them to change. Change is the inevitable and to survive the companies have to change. Below are the forces that are compelling companies to change -

- 1.3.1 Changes in Products or Services** – The organization might decide to change its product or service mix looking at the changing competitive environment and considering changing customers' taste and preference. When product or service mix is changed (adding new products or stop offerings of products), it may require changes in the production processes, quality control, research and development, and even creating new department.
- 1.3.2 Changes in Size or Structure** – organization may decide to acquire (or closure) other company, or merge with other company. Such changes would bring changes in the organizational structure as well. Now new hierarchy may have more levels and reporting procedures may change. Also, the span of control might also change.
- 1.3.3 Changing Demographic Environment** – the demographic environment is changing very fast. The world population is getting aged, specially the western world. Europe is facing rising ageing population. By 2050, the median age of Europe is expected to be 52.7 as compared to 36.2 of US. The US is expected to remain younger due to its immigration policies and birth rate that is close to replacement level. Also, the fertility rate is falling across the world. In 1974, only 24 countries had fertility rate below replacement level whereas in 2009 70 countries had fertility rate below 2.1. There is a correlation between the education level of women, fertility rate and economic growth. When economies are poor, the fertility rate is high and there are many young dependents relying on working adults for sustenance. As fertility rate increases, the number of dependents on working adult decreases leading to increasing wealth. China and India are good example of it. In countries like Japan and Europe, this non-working population has now become senior citizens because of which the healthcare burden on government is increasing. The working population is about to retire in next few years. The fertility rate has dropped below the replacement level causing decreasing workforce for future. This has huge implications on the economic growth of the countries like Japan and Europe where population is rather decreasing. This is causing huge burden on the government. The debt to GDP ratio of such countries is increasing pension and healthcare expenditure is increasing burden on the government expenditure. This is providing opportunities for immigrants to acquire these jobs. This is causing clashes between the local population

and immigrants. Therefore, the changing demographic has huge implications on the organizational change. The organizations have to change their products, service and policies to cope up with such situations.

**1.3.4 New Technologies** – the quantity of data available to managers is soaring. How can management interpret such data into useful information what will help organization stay effective? Data mining has become a common phrase to describe this transformation of data into information. Executive examine mounds of data to understand the customers: who switched to competitor; who buys what and why at their stores; how to position a new marketing campaign to attract a desired segment of customers; and how to use customers' feedback to improve products or services. Many firms have created a senior executive position, chief information officer, to handle this new area. The social media has emerged as one of the great influencer. The firms are learning to use the social media to their benefit. Not only in the field of marketing, but other fields like bio-fuels, solar energy, bio interactive materials, bionics and so many other areas are emerging where technology is bringing changes never seen before.

**1.3.5 Political Changes**—one of the major impacts on the business environment is caused by the political change. Collapse of soviet empire gave rise to market economy in Russia and this provided huge opportunities to the enterprises to expand and gave birth to new enterprises. Also the relationship with west changed and it provide huge market to Russian firms. Similarly, the inclusion of China into WTO provided huge market to the western world and existing market to the Chinese companies to sell their products. Therefore, political changes always bring in new opportunities to the organizations. The new opportunities demand changes in the organizational structure, changes in the product and service offerings, changes in the production process, and financial structure. All of these changes are major changes and require massive change in the organizational culture. Now the employees need to think global to compete in the global markets. The changes in the political environment may also pose the threat sometimes. Look at the example of Middle East and Central Asian countries which are not very stable politically. The investment in these countries may not be very secure and economic environment is also uncertain. The countries which are politically and economically unstable exhibit corrupt political system. In such environment the companies with high ethical standards

face lots of problems getting approvals and clearances from government departments and feel shy to invest. Whereas organizations with low ethical standards flourish in such environment. Developing countries like India are good example.

**1.3.6 Economy** - in 2007, the world economy crashed into financial crisis and trillions of dollars of asset-backed paper became valueless, seemingly overnight. Investors and pension funds lost 20% of their value. Global stock markets shrank by half their value. The American housing market, which provided an illusory asset base, collapsed and led to the credit crisis. Firms that were chastised for having too much cash on hand and were seen as missing opportunities suddenly became the survivors when credit vanished. At the individual firm level, the economic crisis led to layoffs and bankruptcies. All this was happened due to bad loans given to less credit worthy people. After this the companies changed their policies, procedures and structures also. In 2020, the COVID19 once again rippled the economies of the world. The prolonged shutdowns across the globe lead to massive shrink in the global economic activities. Almost all of the economies in the world are experiencing negative GDP growth. China is least affected whereas India experienced the highest level of GDP cut. Many of the companies could never reopen and many could not find job again. The IT sector employees are working from home and may continue to do so for a long. Office space requirement decreased and many building are empty now as the employees are working from home only. Small office space is sufficient now. Sales force is more relying upon software and IT enabled services are taking prime importance in the organizations. Focus has changed from man to IT. Educational institutions are also learning to be more IT reliant and teachers are also learning to be more IT friendly as never seen before. This has changed the whole work culture among the organizations.

#### **1.4 SELF CHECK QUESTIONS**

1.4.1 Define Organizational change.

1.4.2 What are the various forces which compels Organizations to change?

#### **1.5 FOUR TYPES OF ORGANIZATIONAL CHANGE**

There are many forms of organizational change – mergers and acquisitions, takeovers, downsizing, restructuring, services outsourcing, departmental reorganizations, and installations of new appraisal system or incentive systems, closure of particular manufacturing lines or

opening new branches in other parts of the country, and many more. Broadly these changes can be classified into two types – (a) discontinuous change or sudden change or dramatic change and (b) continuous change or gradual change. The examples of discontinuous changes are like introduction of new technology, changes in government regulations that would change the business environment completely. The examples of continuous change could be increasing efficiency of the organization through training and development of employees, hiring key personnel at some key positions etc. Sudden changes are not very frequent and take place once a while and are in response to some external forces. For example, an organization may adopt new technology or replace its machines with new methods of manufacturing to cut the cost and improve the quality to meet the competition. These kind of changes are reactive and not proactive. On the other hand, the continuous changes are part of organizational activities. One of the best examples of continuous change is KAIZEN – a Japanese model of continuous improvement at the workplace.

Other types of organizational change are proactive and planned in nature and in response to changes in the business environment. Planned change occurs when managers anticipate events and shift their organizations as a result. For example, the emergence of low-cost airlines has led to traditional carriers employing reactive strategies, such as cutting routes, costs, and servicelevels in an attempt to adapt.

These two dimensions are combined by Nadler and Tuchman and presented in a model illustrating different types of change (Refer Table 1). They refer four categories of change: tuning, adapting, redirecting or reorienting, andoverhauling or re-creating.

Tuning is defined as small, relatively minor changes made on an ongoing basis in a deliberate attempt to improve the efficiency or effectiveness of the organization. Responsibility for acting on these sorts of changes typically rests with middle management. Most improvement change initiatives that grow out of existing quality-improvement programs would fall into this category. Adapting is viewed as relatively minor changes made in response to external stimuli—a reaction to things observed in the environment such as competitors’ moves or customer shifts. Relatively minor changes to customer servicing caused by reports of customer dissatisfaction or defection to a competitor provide an example of this sort of change, and once again, responsibility for such changes tends to reside within the role of middle managers.

Table1: Types of Organizational Change

	<b>Incremental/Continuous</b>	<b>Discontinuous/Radical</b>
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<b>Anticipatory</b>	<b>Tuning</b> Incremental change made in anticipation of future events Need is for internal alignment <ul style="list-style-type: none"> <li>• Focuses on individual components or subsystems</li> <li>• Middle management role</li> <li>• Implementation is the major key</li> <li>• E.g., a quality improvement initiative from an employee improvement committee</li> </ul>	<b>Redirecting or Reorienting</b> <ul style="list-style-type: none"> <li>• Strategic proactive changes based on predicted major changes in the environment</li> <li>• Need is for positioning the whole organization to a new reality</li> <li>• Focus on all organizational components</li> <li>• Senior management creates sense of urgency and motivates the change</li> <li>• E.g., a major change in product or service offering in response to opportunities identified</li> </ul>
<b>Reactive</b>	<b>Adapting</b> <ul style="list-style-type: none"> <li>• Incremental changes made in response to environmental changes</li> <li>• Need is for internal alignment</li> <li>• Focuses on individual components or subsystems</li> <li>• Middle management role</li> <li>• E.g., modest change to customer services in response to customer complaints</li> </ul>	<b>Overhauling or Re-creating</b> Response to a significant performance crisis <ul style="list-style-type: none"> <li>• Need to reevaluate the whole organization, including its core values</li> <li>• Focuses on all organizational components to achieve rapid system wide change</li> <li>• Senior management creates vision and motivates optimism</li> <li>• E.g., a major realignment of strategy involving plant closures and changes to product and services offerings, to stem financial losses and return the firm to profitability</li> </ul>

Source: Cawsey, Deszca, & Ingols (2016)

Redirecting or reorienting involves major, strategic change resulting from planned programs. These frame-bending shifts are designed to provide new perspectives and directions in a significant way. For example, a shift in a firm to truly develop a customer service organization and culture would fall in this category. Finally, overhauling or re-creation is the dramatic shift that occurs in reaction to major external events. Often there is a crisis situation that forces the change—thus, the emergence of low-cost carriers forced traditional airlines to re-create what they do. Likewise, the credit crisis bankrupted General Motors and forced a complete overhaul and downsizing of the company.

The impact of the change increases as we move from minor alterations and fine-tuning to changes that require us to reorient and re-create the organization. Not surprisingly, reorienting and re-creating an organization is much more time-consuming and challenging to lead effectively. They also have a greater impact on individuals who must reorient themselves. Regardless of difficulty, the financial crisis and recession of 2008–2009 forced companies to

react. Planning can help organizations think about risk and opportunities, it was their sense of awareness and adaptive capacity that allowed firms to respond and survive the crisis.

But Nadler and Tushman has raised the question on the sufficiency of incremental change or radical change in the long run. The Japanese organizations provided a profound lesson in the value of incremental, daily changes through KIZEN. If one observes employee involvement and continuous improvement processes effectively employed, one also sees organizational team members that are energized, goal directed, cohesive, and increasingly competent because of the new things they are learning. Such teams expect that tomorrow will be a little different from today. Further, when more significant changes have to be embraced, these teams are likely to be far less resistant and fearful of them because of their earlier experiences with facilitating change within group structures. Organizational change is part of daily life for them. Many think of incremental/continuous change and discontinuous/radical change as states rather than a perspective or a spectrum of change size. From the organizational a point of view, a departmental reorganization might seem incremental. However, from the department's perspective, it may seem discontinuous and radical. The perception of the magnitude of the change lies in the eye of the beholder. Incremental changes at the organizational level may appear disruptive and revolutionary at a department level. However, those who are accustomed to facing and managing incremental change on a regular basis will likely view morerevolutionarychanges in less threatening terms. Those who have not faced and managed change will bemorelikely to view even incremental changes as threatening in nature.

## **1.6 WHAT TO CHANGE AND HOW TO CHANGE**

There are two complex but distinct aspects of organizational change- what to change and how to change? How to change means the process to be adopted to bring in organizational change whereas what to change means the content in the organization to be changed.

*Just for example – a company ABC Limited sells and machine to XYZ limited. But once the machine was installed, it did not work properly and there were immediate breakdowns. XYZ sends a written complaint to concern sales officer but after repeated reminders nothing comes out. Now the ABC company decides to write to MD of the company. The MD of the company takes a stringent action and brings in the following changes in the organization – opening an online complaint form which would be directly monitored by the head of sales*

*department. There timeline to close the complaint is fixed and in case the complaint is not fixed within given time, the customers would be compensated for this. The role of quality control department is fixed to ensure the quality of the products dispatched.*

The problem of the XYZ company is that the sales force is more focused on the sale and not on servicing and there was no written document addressing the committed service level. In this case ‘What’ to change is the clearly defined but how to change is not well stated.

Clearly, managers must know what needs to change. However, how to go about making change happen requires careful thought and planning. The models provided below help you think about the process of change and how to make it happen.

The leadership question in the organizational change is “What to Change” whereas the management question is “How to Change?” The how questions focused on gaining acceptance of the change: focusing the organization, finding people to make it happen, and generating momentum; and the what questions were analytical, asking what change was right, what should be the focus, and what can be executed given the culture and situation. Bruch and Gerber concluded that a focus on implementation was not sufficient. A clear grasp of the critical needs, the change purpose or vision, was also essential.

Nadler and Tushman’s proposed a model called Nadler Tushman’s Congruence Model which helps in the analysis of what is going on in an organization and what components of an organization need to be changed. That is, “What to Change” model. In any organizational change, both process (how to) and content (what) are important. Nadler and Tushman help us to understand what gaps exist between where the organization is and where we want the organization to be. Also, the Nadler and Tushman’s Congruence Model gives us a comprehensive insight of an organization, its component parts, and how they fit together. It helps in examining organizational tasks (the work of the organization), people, informal organization (organizational culture), and the formal organization (structures and systems) in the context of an organization’s environment, resources, history, and inputs. Organizations are dynamic and highly interactive with their constantly changing environments. Change in one aspect of an organization and would affect the other things. Change the compensation system, for example, and we expect motivation and efforts of employees to change as well—which they might or might not do.

As shown in figure1, the Nedler and Tushman’s organizational congruence model has four components. Here we discuss one by one these components.

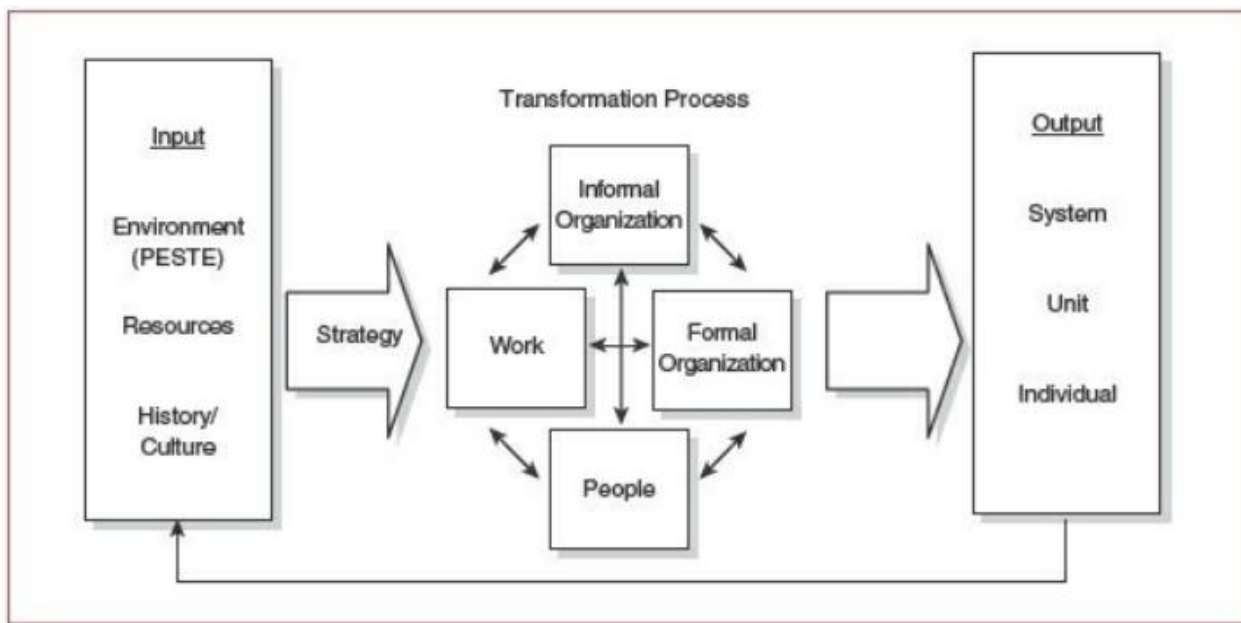


Figure1: Nadler and Tushman’s Organizational Congruence Model

### 1.6.1 History and Environment

The first component of the model is History and Environment. From its start-up phase, leaders of an organization make choices concerning where they want to locate themselves, what they want to do, and which resources they want to buy, access, or otherwise develop and deploy. These historical decisions set the stage for future actions and outcomes, and which human, technological, and capital resources they subsequently seek from the environment. The history of an organization provides insights into how it evolved its mission, culture, strategy, and approach to how it organizes and manages itself. For an example, 3M’s early experience, as a near bankrupt mining company set the stage for a sustained culture that highly values flexibility and innovation as keys to its resilience and success. In addition to history and resources, external environmental factors play a huge role in influencing what organizations choose to do. These

include political, economic, social, technological, and ecological factors. For example, if a competitor launches a more attractive product/service, if new environmental regulations are enacted that create risk or opportunity for your products/services, or if an attractive new foreign market is emerging due to changing economic and demographic conditions, organizations will need to consider such environmental factors and trends as they decide upon their strategic approach. All organizational leaders must deal with an organization's history, and recognize the impact and constraints, as they deal with the current external environment and seek to align their resources with the strategy to produce the desired results. In thinking about what to change, all inputs may be sources of opportunity and constraint.

### **1.6.2 Strategy**

An analysis of the organization's competencies, strengths, and weaknesses, in light of the environmental threats and opportunities, leads to the strategy that organizational leaders decide to pursue. Strategic choices lead to the allocation of resources. Sometimes the strategy is consciously decided. At other times, it is a reflection of past actions and market approaches that the organization has drifted into. When there is a gap between what leaders say their strategy is and what they do (i.e., the actual strategy-in-use), one needs to pay close attention to the strategy in use.

### **1.6.3 The Transformation Process**

The next elements of the Nadler and Tushman models the transformation process. This is where the organization's components are combined to produce the outputs. They include the work to be done, the formal structures, systems and process, the informal organization, and the people. This is where the components of the organization interact with each other and produce the results.

**1.6.3.1 Work** - the work is the basic tasks to be accomplished by an organization and its subunits in order to carry out the organization's strategy. Some of these tasks are key success factors that the organization must execute in order to successfully implement its strategy. An organization's work may be described in a very discrete way, listing, for example, the duties of a particular position, or, at the polar extreme, the basic functions such as marketing, production that the organization performs in its transformation processes. Tasks may be nested in teams, requiring coordination and integration, or be separated and independent from one another. The work may be designed to require a wide range of sophisticated skills and abilities or require a narrow set of basic skills. The work may

require sophisticated judgment and decision making or require people to follow standardized procedures. Existing task designs reflect past decisions concerning what needs to be done and how best to do things. These designs often reflect cultural beliefs in the organization and are, to a degree, a matter of choice.

**1.6.3.2 The Formal Organization** - the formal organization includes the “organizational architecture, a term that describes the variety of ways in which the enterprise structures, coordinates, and manages the work of its people in pursuit of strategic objectives.” Once tasks are identified and defined, they are grouped to form reporting relationships, the formal organizational chart of roles, responsibilities, departments, divisions, and so on. The purpose of a structure is to enable efficient and effective task performance. The systems of an organization are the formal mechanisms that help the organization accomplish its work and direct the efforts of its employees. These include an organization’s human resource management systems (recruitment and selection, reward and compensation, performance management, training and development); information systems; measurement and control systems (e.g., budget, balanced scorecard); production systems; and so forth.

**1.6.3.3 The Informal Organization** - the informal relationships among people and groups in the organization, the informal way things get done, and the norms accepted by organizational members reflect the way the culture manifests itself in the organization. While managers define the work necessary to accomplish the strategy and then structure those tasks in formal ways, many things occur that are unplanned, unanticipated, and/or evolve over time. For example, friendly relationships between individuals often ease communications; groups form and provide support or opposition for the accomplishment of tasks; and individuals and teams adapt procedures to make things easier or more productive. The informal system will include an organization’s culture, the norms or understandings about “how we do things around here,” values (e.g., about the importance of customer service), beliefs (for example, about why the organization is successful), and managerial style (a “tough boss” style, for example). It will also reflect the informal leadership and influence patterns that emerge in different parts of the organization. Culture is a product of both the organization’s history and its current organizational

leadership. It acts as a control system in the sense that it defines acceptable and unacceptable behaviors, attitudes, and values and will vary in strength and impact, depending upon how deeply held and clearly understood the culture is. Other elements of the informal organization that are important to analyze when considering how to create change include power relationships, political influence, and decision-making processes.

**1.6.3.4 People** - the people in an organization perform tasks using both the organization's designed systems and structures, and the informal cultural processes that have evolved. It is important that the attitude, knowledge, skills, and abilities of each person match the individual's role, and that their responsibilities and duties match the organization's needs. Understanding the individuals in the organization and how they will respond to the proposed change will be significant in managing the change process. Within every organization, certain key individuals are critical to its success. Often we think of the formal leaders as those who are most important in terms of accomplishing the mission, but others may be crucial. These people might have special technical skills or might be informal leaders of a key group of employees.

#### **1.6.4 Outputs**

The outputs of an organization are the services and products it provides to generate profitability or, especially in the case of public sector and nonprofit organizations, to meet mission-related goals. Additional outputs are also important: the satisfaction of organizational members, the growth and development of the competencies of the organization and its members, and customer satisfaction (to name just three). These outputs need to be defined and measured as attentively as profitability, return on investment (ROI), or numbers of clients served. The above model reflects how one would look at the organization as a whole. However, this same approach can be adapted to look at internal parts of an organization that supply inputs or services for another part of the enterprise. The success of the organization in producing desired outputs should become part of the feedback loop and a new input to the organization. In a well-functioning organization, feedback could provide pressure to modify the strategy or internal alignments.

The "Fit" Between and Among Organizational Components Is Critical. Nadler and Tushman argue that there are many different ways to think about the components of an organization. However, they choose to focus their model on four major components: "1) the task, 2) the

individuals, 3) the formal organizational arrangements, and 4) the informal organization.” A change agent needs to understand these four components of an organization and how they fit together and influence one another. Congruence is a measure of how well pairs of components fit together. For example, executives in an organization who restructure and ignore the knowledge and skills of people who will fill the newly created jobs do so at some risk. Restructured organizations with newly defined jobs either require the retraining of employees, or the hiring of new employees with the requisite skills. Or, if managers create structures to fit several key people and then those people leave, there may be a significant loss of fit between the structural components and the new key people.

**Organizations with Good Fit Are More Effective than Those with Poor Fit.** Nadler and Tushman argue that effective organizations have excellent “fit” or “congruence” between components. Further, they argue that the strategy needs to flow from an accurate assessment of the environment and respond to or take advantage of changes occurring in that environment. Similarly, the strategy needs to fit the organization’s capabilities and competencies. If all of these are not aligned reasonably well, the strategy will fail and the organization will be less effective than it could have been. Inside the organization, the four components (tasks, designed structure and systems, culture, and people) must fit each other. For example, if an organization hires motivated, highly skilled individuals and assigns them routine tasks without challenge or decision-making opportunities, those individuals will likely be bored. There will be a lack of fit and productivity will suffer. Or, if the strategy demands the adoption of new technology and employees are not provided with the necessary training, fit is lacking. Within categories, elements might not fit. For example, an organization might decide to “empower” its employees to improve performance. If it fails to adjust the supervisory approach and reward system to reinforce the desired behaviors, this lack of fit could easily lead to a failure of the empowerment strategy. Overall, lack of fit leads to a less effective organization. Good fit means that components are aligned and the strategy is likely to be attained.

For many managers, the notion of fit is easiest to understand as they follow the flow from strategy to key tasks to organizing those tasks into formal structures and processes to accomplish the desired objectives. This is a rational approach to management and appeals to one’s logic. At the same time, the reality of organizations often means that what appears to management as logical and necessary is not logical to employees. Managerial logic may be viewed by employees



as against their interests or unnecessary. Peters recognizes the importance of the so-called non-rational aspects of organizations. He argues that managers should tap into the power of teams to accomplish results and that individuals can be challenged to organize themselves to accomplish tasks. Thus, while fit is easiest to picture in logical terms, change agents need to consider it in terms of the informal system and the key individuals in the change process who will influence its success. In a typical scenario, changes in the environment require leaders to rethink the organization's strategy. This, in turn, results in changes in key tasks and how managers structure the organization to do those tasks. In developing a new strategy and in redesigning an organization's systems and structures, managers need to become aware of and understand the influence of key individuals and groups.

Nadler and Tushman's Congruence Model framework helps practitioners in three ways. First, it provides a template to assist in an organizational analysis. Second, it gives one a way of thinking about the nature of the change process—environmental factors tend to drive interest in the organization's strategy, which, in turn, propels the transformational processes. These, then, determine the results. Third, the congruence framework emphasizes that, for organizations to be effective, a good fit among all elements in the process is required from environment to strategy through to the transformation process. Fit is also necessary within the transformation process; this is a constant challenge for incremental change initiatives such as continuous improvement programs. An emphasis on the internal fit between organizational components often focuses on efficiency. An emphasis on the external fit between the organization and its environment is an effectiveness focus.

## **1.7 SELF CHECK QUESTIONS**

1.7.1 What are the various forms of organizational change?

1.7.2 What is formal Organization?

1.7.3 Explain Informal Organization?

## **1.8 ORGANIZATIONAL CHANGE ROLES**

Who are the participants in organizational change? Many employees will step up and make the change work. They will be the change implementers, the ones making happen what others, the change initiators, have pushed or encouraged. Change initiators, or champions, also frame the vision for the change and/or provide resources and support for the initiative. Or they could be on the receiving end of change, change recipients. Some will play a role in facilitating change—

change facilitators won't be the ones responsible for implementing the change, but they will assist initiators and implementers in the change through their contacts and consultative assistance. Of course, one person might play multiple roles. That is, a person might have a good idea and talk it up in the organization (change initiator); take action to make the change occur (change implementer); talk to others to help them manage the change (change facilitator); and, ultimately, be affected by the change too (change recipient). In this book, we use the terms change leader and change agent interchangeably. Change initiators, change implementers, and change facilitators represent different roles played by the change leader or change agent. At any given moment, the person leading the change may be initiating, implementing, or facilitating. Table 2 outlines the roles that people need to play in organizational change.

**1.8.1 Change Initiators** - Change initiators get things moving, take action, and stimulate the system. They are the ones seeking to initiate change to make things better. They identify the need for change, develop the vision of a better future, take on the change task, and champion the initiative. Change initiators may face considerable risk in the organization. To use a physical metaphor, action creates movement, movement creates friction, and friction creates heat! And creating heat may help or hurt one's career. Change agents need to take calculated actions and be prepared to undertake the work needed to create and support the powerful arguments and coalitions to effect change in organizations from the top or the middle of the organization. Change initiators will find useful aids for change in this book. We, as authors, cannot supply the passion and powerful vision needed by initiators, but we can point out the requirements of successful change: planning, persuasion, passion, and perseverance. And we can provide frameworks for analysis that will enhance the likelihood of successful change. Change initiators need to be dogged in their desire and determination. Those who succeed will earn reputations for realistic, grounded optimism, for a good sense of timing, and for not giving up. If nothing else, the opposition may tire in the face of their persistence. Better yet are those who have the uncanny ability to creatively combine with others into a coalition that turns resisters into allies and foot draggers into foot soldiers and advocates for change.

Table 2: Managerial Role and Organizational Change

Role	Role Description
Change leader or Change agent	The person who leads the change and the change he/she may play any or all of the initiator implementer, or facilitator role. Often, but not always, this person is the formal change leader. However, informal change leader will emerge and lead change as well.
Change initiator	The person who identifies the need and vision for change and champions the change.
Change implementer	The person who has the responsibility for making certain the change the happens, charting the path forward, nurturing support, and

	alleviating resistance.
Change facilitator	The person who assist initiator, implementers, and recipients with the change management process. Identifies process and content change, issues and helps resolve these, fosters support, alleviate resistance, and provide other participants with guidance and council.
Change recipients	The person who is affected by the change. Often the person who has his/her behavior to ensure the change is effective.

**1.8.2 Change Implementers** - many would-be and existing managers find themselves as change implementers. Others, including their bosses, may initiate the change, but it is left to the implementers to make it work. This role is critical. The effectiveness doesn't come from making the critical decision but rather from managing the consequences of decisions and creating the desired results. If change were going to be easy, it would already have happened. The change implementer's role is important and needed in organizations. Without it, there is no bridge to the desired end state—no sustained integrated approach. Change implementers will find much in this book to assist them. They will find guidance in creating and increasing the need for the changes that change initiators are demanding. They will find tools for organizational diagnosis and for identifying and working with key stakeholders. And they will find concepts and techniques to facilitate the internal alignment of systems, processes, and people; improve their action plans and implementation skills; and help them sustain themselves during the transition. At the same time, we encourage and challenge change implementers to stay engaged, to stay active, and to initiate change themselves. The middle manager feels trapped between tops and bottoms and becomes ineffective as a result. Many middlemanagers transform their organizations by recognizing strategic initiatives and mobilizing the power of the “middles” to move the organization in the direction needed.

**1.8.3 Change Facilitators** - today's complex organizational changes can fail because parties lock into positions or because perspectives get lost in personalities and egos. In such cases, an outside view can facilitate change. Change facilitators understand change processes and assist the organization to work through change issues. As such, they sometimes formally serve as consultants to change leaders and teams. However, many of those who act as change facilitators do so informally, often on the strength of their existing relationships with others involved with the change. They have high levels of self-awareness and emotional maturity, and are skilled in the behavioral arts—using their interpersonal skills to work with teams or groups.

**1.8.4 Change Recipients** - change recipients are those who find themselves on the receiving end of change. Their responses will vary from active resistance, passivity, to active support, depending upon their perceptions of the change, its rationale, and its impact. When people feel

acted upon and with little or no voice or control in the process, dissatisfaction, frustration, alienation, absenteeism, and turnover are common responses to demands for change.

## **1.9 COMMON CHALLENGES FOR MANAGERIAL ROLES**

Table3 highlights common sources of difficulty that change initiators, implementers, and facilitators face when attempting to implement planned changes. While there are external factors that can frustrate progress in unanticipated and undesirable directions, this table focuses on ways in which change leaders act as their own worst enemies, self-sabotaging their own initiatives. They stem from predispositions, perceptions, and a lack of self-awareness. The good news is that they also represent areas that a person can do something about if he or she becomes self-aware and chooses to take the blinders off.

Table3: common managerial difficulties in dealing with organizational change

1. Managers are action oriented and assume other rational people will see the inherent wisdom in the proposed change and will learn the needed new behavior or managers assume that they will be able to replace recalcitrant employees.
2. Managers assume they have the power and influence to enact the desired changes and they underestimate the power and influence of other stake holders.
3. Managers look at the transition period as the cost, not an investment.
4. Managers are unable to accurately estimate the resources and commitment needed to facilitate the integration of the human dimension with other aspects of the change (system, structure, technologies)
5. Managers are unaware that their own behavior, other key managers may be sending out conflicting messages to employees and eventually customers.
6. Managers find managing human processes unsettling (even threatening) because of the potential emotionality and difficulties they present with respect to prediction and qualification.
7. Managers simply lack the capacity (attitude, skills and abilities) to manage the complex change that involve people.
8. Managers' critical judgment is impaired due to factors related to over confidence and or group thing.

## **1.10 THE REQUIREMENTS FOR BECOMING A SUCCESSFUL CHANGE LEADER**

Successful change leaders balance keen insight with a driving passion for action. They have that sensitivity to the external world described above and will be skilled anticipators of that world. They have a rich understanding of organizational systems—their system in particular and the

degree to which continuous or strategic changes are appropriate. They understand themselves and their influence and image in their organizational context. They have special personal characteristics—a tolerance for ambiguity, emotional maturity, self-confidence, comfort with power, a keen sense of risk assessment, a need for action and results, and persistence grounded in reasoned optimism and tenacity. Finally, while they are curious and have a strong desire to learn, they also have a deep and abiding distrust of organizational fads and recognize the negative impact of fad surfing in organizations. Change leaders who see the world in simple, linear terms will have more difficulty creating effective change. Change leaders understand the rich tapestry that forms the organizational culture. They understand the stakeholder networks that pattern organizational life. They recognize the impact and pervasiveness of organizational control systems (organizational structures, reward systems, measurement systems). They know and can reach key organizational members—both those with legitimate power and position and those with less recognizable influence. And they understand which tasks are key at this point in time given this environment and this organizational strategy.

Successful change leaders know their personal skills, style, and abilities and how those play throughout the organization. Their credibility is the bedrock on which change actions are taken. Because change recipients will often be cynical and will examine how worthy the leaders are of their trust, change leaders must be aware of their personal blind spots and ensure these are compensated for whenever needed.

Change leaders also embrace the paradoxes of change:

**1.10.1 They are involved in both driving change and enabling change** - change leaders understand the need to persist and drive change through their organization. Without such determination, organizational inertia will slow change and other organizations will race ahead. At the same time, change leaders recognize that getting out of the way might be the most helpful management action to be taken. When those around a manager are following a passion, the best thing might be to help in whatever way possible or to provide resources to make things happen.

**1.10.2 They recognize that resistance to change is both a problem and an opportunity**-change resistance happens in planned change. Overcoming such resistance is frequently necessary to make progress. However, change leaders recognize that there are often good reasons for resistance—the person resisting is not just being difficult or oppositional, he or she often knows things or has perspectives that cast doubt on the wisdom of change. Change leaders need

to recognize this and work actively to overcome this paradox. Good change leadership focuses on outcomes but is careful about process. Far too often, change programs get bogged down because a focus on results leads change implementers to ignore good process. At the same time, too much attention to process can diffuse direction and lead to endless rituals of involvement and consultation. Good change leaders learn how to manage this balance well.

**1.10.3 Change leaders recognize the tension between getting on with it and changing directions** - the environment is always changing. Leaders can always modify their objectives and respond to the environment. But if this is done repeatedly, they never settle on a design and direction and as a result will fail to get things done. Keeping the focus on the overall long-term direction while making adjustments can make sense. The trick is to understand and balance this tension.

**1.10.4 Change leaders understand the need to balance patience and impatience** - impatience may prove very helpful in overcoming inertia and fear, generating focus, energizing a change, and mobilizing for action. However, patience can also prove a valuable tool in reducing tension and establishing focus and direction, by providing time for people to learn, understand, and adjust to what is being proposed. Finally, today's change leader knows that in today's global competition, what matters is not the absolute rate of learning but rather the rate of learning compared to the competition. And if your organization doesn't keep pace, it loses the competitive race.

## **1.11 SELF CHECK QUESTIONS**

1.11.1 Explain the term Change Initiators?

1.11.2 who are change facilitators?

## **1.12 SUMMARY**

Change is inevitable. The forces that drive the change in organizations include changes in the product and services, changes in the size and structure of the organizations, the innovations in the products, changes in the technology, political change and changes in the economic development. All of these forces are uncontrollable and organizations have to come up with these changes through continuous organizational change. The organizations should be ready to change and be habitual to change.

## **1. 13 REVIEW QUESTIONS**

### **Short Questions**

- Q1. What are the forces that drive change? Why change is inevitable?  
Q2. What are the different types of organizational change?

### **Long Questions**

- Q1. What should organizations change and how to change?  
Q2. Who are the participants in organizational change? What are their roles?  
Q3. What are the challenges for managers in organizational change?

## **1.14 ANSWERS TO SELF CHECK QUESTIONS**

**1.4.1** The organizational change be defined as planned alterations of organizational components to improve the effectiveness of the organization’.

**1.4.2** various forces which compels organizations to change are-

- Changes in Products or Services
- Changes in Size or Structure
- Changing Demographic Environment
- New Technologies
- Political Changes

1.7.1 There are many forms of organizational change – mergers and acquisitions, takeovers, downsizing, restructuring, services outsourcing, departmental reorganizations, and installations of new appraisal system or incentive systems, closure of particular manufacturing lines or opening new branches in other parts of the country, and many more.

1.7.2 The formal organization includes the “organizational architecture, a term that describes the variety of ways in which the enterprise structures, coordinates, and manages the work of its people in pursuit of strategic objectives.”

1.7.3 The informal relationships among people and groups in the organization, the informal way things get done, and the norms accepted by organizational members reflect the way the culture manifests itself in the organization.

1.11.1 Change initiators get things moving, take action, and stimulate the system. They are the ones seeking to initiate change to make things better. They identify the need for change.

1.11.2 The person who assist initiator, implementers, and recipients with the change management process. Identifies process and content change, issues and helps resolve these, fosters support, alleviate resistance, and provide other participants with guidance and council.

## **1.15 SUGGESTED READINGS**

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**MBA DE  
LESSON 2**

**ORGANISATIONAL DEVELOPMENT AND CHANGE  
ORGANIZATIONAL CHANGE PROCESS**

**AUTHOR: Dr. AMANPREET SINGH\***

**STRUCTURE OF LESSON:**

2.0 OBJECTIVES

2.1 SIGNIFICANCE AND IMPORTANCE OF ORGANIZATIONAL CHANGE

2.1.1 Buildup Competition

2.1.2 Bring Technological Advancement

2.1.3 Develop Satisfied Customers

2.2 NATURE OF ORGANIZATIONAL CHANGE

2.3 HOW TO CHANGE (THE ORGANIZATIONAL CHANGE PROCESS)

2.4 SELF CHECK QUESTIONS

2.5 MODEL 1 – LEWIN MODEL - STAGE THEORY OF CHANGE

2.6 MODEL 2: KOTTER MODEL OF ORGANIZATIONAL CHANGE

2.7 MODEL 3: GENTILE MODEL OF GIVING VOICE TO VALUES

2.8 MODEL 4: DUCK'S EMOTIONAL TRANSITIONS THROUGH CHANGE

2.9 MODEL 5 - MANAGING THE CHANGE PROCESS BY BECKHARD AND HARRIS

2.10 MODEL 5 - THE CHANGE PATH MODEL BY CAWSEY-DESZCA-INGOLS

2.11 SELF CHECK QUESTIONS

2.12 SUMMARY

2.13 ANSWERS TO SELF CHECK QUESTIONS

2.14 REVIEW QUESTIONS

2.15 SUGGESTED READINGS

## **2.0 OBJECTIVES**

After going through this lesson, you will be able to understand nature and models of Organization change. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand how to change Organization change process and how model focuses on the ethical implications of organizational change.

### **2.1 SIGNIFICANCE AND IMPORTANCE OF ORGANIZATIONAL CHANGE**

Change is the need of the hour for every individual, every organization. Engaging in the same old methodology which is turning to be obsolete can lead to failure. Therefore, need to change is of highest priority. The failure in recognizing the very urgent requirement to change heads to many serious, critical problems. Change refers to bringing a shift in the way the activities are performed, work is done, and problems are solved. Basically, a new approach to deal with everything which would give a positive and successful outcome. This process of change is not easy and is time- consuming but at the end of it, we realize that it was worth it.

How would change benefit organizations and employees? Here we bring few pointers indicating the benefits of a change culture in your organization:

**2.1.1 Buildup Competition:** change can be big or small, easy or complex in an organization.

Change does not necessarily indicate a major transformation every time. But it can seriously help to build competition, which can help organizations progress and develop themselves. Without change, organizations would struggle to lift up themselves to face the competition put forward by their competitors. Example- When a particular organization changes its way of working and if it attracts more customers, the neighboring competitor will definitely observe the same and would try to bring a change in his usual form of working. Thus, here change plays a very positive role in building up competition which leads to a desire among organizations to develop themselves more than their competitors.

**2.1.2 Bring Technological Advancement:** technology plays a vital role in development of an organization. Change that results from the adoption of new technology is common in most

organizations and while it can be disruptive at first, ultimately the change tends to increase productivity and service. To beat the competition, organizations can make use of new technologies. The same, old, obsolete ways of doing things would not work out when the competitors would be moving fast forward with new technologies. It also enables employees to adopt the new technology and indirectly helps in growth of organization. For Example, Toyota – the company to emulate in the automobile industry, it has emerged to become one of the most successful organizations in terms of establishing change management.

**2.1.3 Develop Satisfied Customers:** adopting change in organizations can create a certain extent of dissatisfaction among employees and also among customers. But, once change brings in a favorable effect, customers and employees start accepting it. Eventually this change brings satisfied customers which in turn acts positively for customers. As always said, satisfied customer is a boon for every organization. Just a mere tweak in the strategy can do wonders for you. The most famous example being Google – The Google experience is a classic example of a company committed to wowing its customers based on consistent quality and constant innovation over the years.

Eventually, change plays a very positive role in building up competition which leads to a desire among organizations to develop themselves more than their competitors. Also change is an evitable, unavoidable part of any organization. Every organization strives to change and it eventually leads to business excellence.

## **2.2 NATURE OF ORGANIZATIONAL CHANGE**

In considering the concept of change, it is useful to distinguish between "change" and "innovation". Changes refers to any alteration of the status quo, whereas innovation is more specialized kind of change. Innovation is a new idea applied to initiating or improving a process, product, or service. Organizational change is defined as "the adoption of a new idea or behavior by an organization". Although some authors use the word adaption rather that change, the two terms are essentially synonymous. Organizations are always in motion. Kotter and Schlesinger (1979) and Waterman (1987) suggest that most companies or divisions need to make moderate organizational changes at least every year, with major changes every 45 years. Kurt Lewin, a noted organizational theorist, was one of the first to address the process of change. Lewin (1951)

has proposed that changes result from the impact of a set of driving forces upon restraining forces. Change could be incremental or transformational.

Incremental change – it refers to periods when industry is in equilibrium and focus for change is ‘doing things better’ through a process of continuous tinkering, adaptation, and modification.

Transformational change – it occurs during the times of industry disequilibrium.

Due to complexity of events and rapidity of technologies in the environment, organizations are subject to many pressures for change. Continuous developments and range of triggers force organizations towards change initiatives.

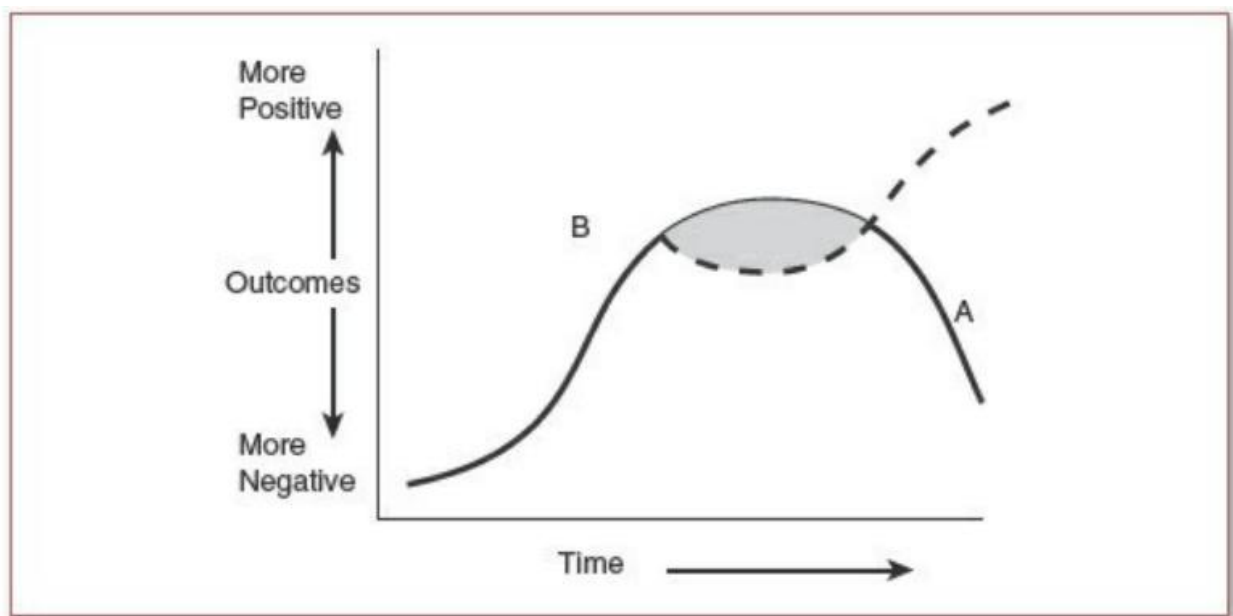
Indeed, these pressures on organizations to change emanate from external and internal environment of the organizations. Forces encountered in turbulent external environment and dynamic internal environment are equally valid forces for organizations as well because for profit or for non-profit organizations also undergo technological, structural, social and financial changes like the case of profit organizations. Globalization, developments in information and communication technology, economic crises, demographic changes dramatically forces human beings to change. Actually, some main external triggers originated outside the organization can be ranked as law and regulations of the government, globalization of markets with adopting standards and values, demographic characteristics, social and political pressures created by main political and social events, and improvements in technology. Internal forces come from inside the organization that encourage organizational change are technology (e.g. plant, machinery and tools), primary task (e.g. the major field of business), people (e.g. Human resources constituting the organization) and administrative structures (e.g. formalized lines of communication, formation of working procedures, managerial hierarchies, reward systems and disciplinary procedures). Therefore, it can be stated that internal forces for change come from both human resources and managerial behavior or decisions. These external and internal factors are all related to speed, direction and outcomes of change in organizations. In organizations, government intervention, society’s values, changing technology, administrative processes and fulfilment of employees’ needs are pressures on organizations to change. Changing technology, improved equipment and facilities also improve productivity and competitiveness in organization. However, main purposes of change in organizations come from external forces. In order to ensure the survival and future success of educational organizations, it is necessary to be readily

adaptable to the external demands placed upon these organizations. Actually, organizations should be properly prepared to face the demands of a changing environment and responsive to needs of the environment for change.

### **2.3 HOW TO CHANGE (THE ORGANIZATIONAL CHANGE PROCESS)**

There is always question among the managers – “Why is it so difficult to accomplish change?” There are always many factors that make organizational change difficult. Charles Handy describes some of these dilemmas by examining the pattern of success over time. As he so aptly said: too often “by the time you know where you ought to go, it’s too late”. He describes a sigmoid curve that outlines where one should begin changing and where it becomes obvious that one needs to change (see Figure 2). This curve depicts the outcomes of a system as a curve that increases during early stage development and growth phases, flattens at maturity, and shifts into decline over time. Consider the path tracked by successful technological innovations. Once an innovation demonstrates its value to key early adopters, then sales take off. As others see the benefits of the innovation, they adopt it as well. Patents and proprietary knowledge provide some protection, but over time competitors launch similar products, profit margins become squeezed, and sales growth slows due to increased competition and the level of market saturation. This leads to a flattening of the curve, referred to as the maturity phase. Decline follows as the market becomes increasingly saturated and competitive, and this decline accelerates with the arrival of a new, disruptive innovation that attracts customers away from the existing product or service. Think of what happened to the VCR players when DVD players arrived on the scene. Consider how prices fell for DVD players in the face of competition. Now, video streaming has eclipsed the market for DVDs. DVDs are becoming obsolete as more companies offer streaming services. The time to introduce change is at point B when the system is growing. The dilemma is that in the short run, the costs are likely to be greater than the benefits. It is only when the new changes are adopted and the system is working well that the outcomes’ curve turns upward again. One dilemma is that the costs of change are real and include adding people and shifting production lines, while the benefits of change are uncertain. Managers believe the changes will improve productivity and profits, but that may not occur. By holding off investing in change, an organization may improve its profits in the short run. However, if environmental conditions continue to change and the organization fails to adjust in a timely fashion, executives can quickly find themselves lagging behind their competitors, scrambling to adapt, and running to catch up.

If management waited too long to adapt, then an organization may find it impossible to do so. By the time the system reaches point A, the need for change is obvious, but it may also be too late for the organization to survive without experiencing significant trauma. Positive planned change needs to be commenced sooner in the process—before things deteriorate to a crisis or disaster stage. Unfortunately, change typically comes with costs that appear to lessen the positive outcomes in the short run. As many know, convincing anyone that they should incur costs, make investments, and initiate changes now for long-run benefits is a difficult selling task, particularly if things are going well. This is depicted as the shaded space between the solid and dotted lines beginning at point B in Figure 2. The costs of change appear certain and are tangible. But the benefits are uncertain and often vaguely defined. The time after point B is a time of two competing views of the future, and people will have difficulty abandoning the first curve (the one they are on) until they are convinced of the benefits of the new curve. In concrete terms, creating change at point B means convincing others about the wisdom of spending time and money now for an uncertain future return.



*Figure 2: The sigmoid Curve*

Various models are proposed by the different researcher of organizational change. These models are discussed below one by one -

1. Lewin's model is simple, making it useful for communicating the overall change process to participants.

2. Kotter's provides a detailed map of the change process in terms of what each step needs to achieve (i.e., the key success factors of a change initiative), which is useful for planning and implementation.
3. Gentile provides individual-level guidance for pushing back and responding skillfully and effectively to people and situations that contradict a person's values; this approach may or may not make systemic change.
4. Duck offers guidance for people and emotional issues within a step framework of change.
5. Beck hard and Harris provide an action-oriented overview that indicates the sets of activities that should be completed within the steps Kotter identified (roughly).
6. The Change Path Model maps sets of activities within a systems-level view (following Lewin) that also reflects organizational-level factors (e.g., operations, control, and measures).

## **2.4 SELF CHECK QUESTIONS**

2.4.1 Define Organizational Change.

2.4.2 How would change benefit organizations and employees?

2.4.3 Distinguish between change and innovation.

## **2.5 MODEL1 – LEWIN MODEL - STAGE THEORY OF CHANGE**

Our first model is a basic step model. Sixty years ago, Kurt Lewin wrote about the problem of how to bring about change. He described a three-stage model of change:

**Unfreeze → Change → Refreeze**

Lewin stated that we need to understand the situation and system as a whole as well as the component parts that make up the system. Before change can occur, an unfreezing process must happen within that system. Unfreezing focuses on the need to dislodge the beliefs and assumptions of those who need to engage in systemic alterations to the status quo. The unfreezing process might occur because of some crisis.

When this unfreezing occurs, the people who are embedded in the systems become susceptible to change. Systems and structures, beliefs, and habits become fluid and thus can shift more easily. Once the change has been completed, these systems, structures, beliefs, and habits can refreeze

in their new form. To illustrate Lewin's model, refer back to the Letter of Complaint and examine the comments below-

**Unfreeze** – which means scrapping the old systems and procedures, information systems at the place. The decision to scrap the old systems may be in full or partial depending upon the demand of new system and relevance and compliance of old systems in the present times. The organization may take decision to replace the old systems with new one which are more relevant and competitive with the other organizations in the competition or the best industry practices.

**Change:** it means the decision on systems which need replacements. What new could be brought in? What improvements are needed in the organization? For example- a new quality control department is to be established. Then hiring of new quality control person, its qualification/experience, other staff members and equipment required. The reports to be generated and other employees to be trained to understand the reports and flow of reports to relevant departments etc. The whole new system has to be developed and employees of the organizations are trained to adapt their working to meet the QC requirements. The QC person is responsible to ensure the quality of the product being produced at each level of production process and ensure the quality standards at each level. Once the QC system has been designed and procedures are in place, all employees in production, sales and packing department will have to be trained. This change could be a participatory process with the involvement of staff, or the general manager could have it designed and order its implementation. The change process would be reasonably complex, involving a number of people and systems. During this phase, there would be considerable uncertainty. The new system could well be ready before the quality-control person is hired and trained. Or the reverse—the person may be hired and trained but the room quality system is not ready. Employees might see opportunities to improve what is being proposed and make suggestions regarding those improvements.

**Refreeze** - once the changes are designed and implemented, employees will need to adapt to those changes and develop new patterns and habits. The new flag QC system will alter how employees in the different production and sales department do their work. With this stability comes refreezing, as the new processes, procedures, and behaviors become the new “normal” practices of the organization. What do we mean by this notion of relative stability and predictability that comes with refreezing? The Lewin model is simple and change agents find it



useful both because of its simplicity and because it reminds us forcefully that you can't expect change unless the system is unfrozen first! We may need other, more complex models of the organization to be able to think through what must be unfrozen and changed, but Lewin forces us to recognize the rigidity that comes with stability and interconnectedness within existing systems, relationships, and beliefs. However, several concerns prevent us from wholeheartedly embracing this model. First, the model oversimplifies the process of change and suggests that change is linear. The reality is that change tends to be complex, interactive, and emergent. Second, the creation of the need for change deserves more attention. It is not merely a matter of moving individuals away from their assumptions about the current state. Organizations that freeze too firmly may fail to thaw when new markets and customers appear. They may refuse to incorporate feedback in making useful changes. Continuous improvement programs may appear faddish, but they reflect a realistic view of what is needed in a dynamic environment because they enhance an organization's adaptive capacity.

## **2.6 MODEL2: KOTTER MODEL OF ORGANIZATIONAL CHANGE**

This second model describes a highly structured step-by-step process that overcomes the problem of simplification of Lewin's model. In 1996, Harvard Business School Professor John Kotter published *Leading Change*. His eight-stage process argues that an organization must successfully go through each phase in sequence. For example, failing to establish a sense of urgency throughout an organization (step 1), may explain a leader's inability to communicate effectively a vision for change (step 4). Kotter's framework helps managers know what they should do, when they should take specific actions, and when and how they are ready to move to the next stage.

### **Kotter's Eight-Stage Process**

1. Establish a sense of urgency: In older, well-established organizations a sense of complacency may have set in. Leaders need to illustrate the threats to the system and move enough organizational members from a sense of invulnerability to vulnerability.
2. Create a guiding coalition: Select a significant number of people (10 to 50) who have titles and lead divisions and departments, have the respect of their colleagues, and relevant knowledge. This group should be aligned and know that change is needed.

3. Develop a vision and strategy: People need an overarching dream of an inspiring future. From this vision comes the implementation plans and steps.
4. Communicate the change vision: Capture the hearts and minds of most employees by communicating through multiple channels and multiple times the vision for change.
5. Empower employees for broad-based action: Large numbers of employees need to embrace the vision and then organizational structures, human resources systems, and a myriad of other internal organizational mechanisms need to support, rather than block, the change.
6. Generate short-term wins: Large-scale organizational change may take three to five years and yet employees need to see evidence of successful change within to 18 months. Highlight short-term gains to keep employees motivated.
7. Consolidate gains and produce more change: Since it takes years for organizational change to become a part of an organization's DNA, many leaders stop too soon. Keep pressing forward until the change seeps into the deepest recesses of an organization.
8. Anchor new approaches in the culture: Make sure that the change is embedded in the organization's cultural norms and values.

## **2.7 MODEL3: GENTILE MODEL OF GIVING VOICE TO VALUES**

The third model focuses on the ethical implications of organizational change. Pick up any newspaper or magazine and one finds stories about personal, corporate, or governmental malfeasance; accounts of injustice; and reports of individual violence against peers and society's vulnerable members. In the past these stories included accounts of people such as Bernie Madoff and his elaborate Ponzi scheme, which robbed many investors of their money; and HealthSouth's CEO Richard Scrutiny, who was convicted of bribery. In 2014, a scandal has been brewing over scheduling practices at Veterans Administration hospitals across the United States. An underlying issue in most of these situations is an organizational climate that does not effectively manage individual behavior. To minimize the chances of malfeasance, organizations sometimes have to change operating practices, incentives, monitoring systems, and most importantly, underlying values. The first step is recognizing that something is wrong (identify the need to change), and often that requires someone to speak up—the purpose and power of Giving Voice to Values.

With numerous examples of corruption and fraud, educator and research scholar Mary Gentile decided to develop a program, at first for business students, to support people's development of confidence and skills that would allow them to speak and act their values—effectively—when faced with a situation that runs counter to their principles. Gentile's Giving Voice to Values (GVV) curriculum takes people through a learning process that prepares them to expect values conflicts and provides the tools to intervene when they perceive wrongdoing. The GVV curriculum focuses on the practical application of skills needed to push back and respond skillfully and effectively to people and situations that contradict a person's values. The GVV curriculum consists of three parts that represent the process individuals need to work through to advocate for the need to change: the clarification and articulation of one's values; post-decision-making analysis and implementation plan; and the practice of speaking one's values and receiving feedback.

1. Clarification and articulation of one's values: The GVV curriculum invites participants to consider the notion that there is a universality of values and some researchers, such as Martin Seligman and Rushworth Kidder, have found a commonality of core values across cultures and religions. Kidder, who conducted a cross-cultural survey, identified a "list of five widely shared values: honesty, respect, responsibility, fairness, and compassion". The first step requires participants to articulate their values and the impact of acting on those values. This exercise encourages participants to take their often implicit principles and make them explicit and public, an important first step in bringing about change.
2. Post-decision-making analysis and implementation plan: The GVV curriculum requires participants to examine case studies of protagonists who have been clear about their values and have effectively voiced their principles in difficult situations (all GVV cases are available through the website). The protagonists of GVV cases have concluded what is right, and the cases walk readers through their thinking and actions—to a point: then readers are invited to figure out what the protagonist might do to voice her values effectively. For example, in the "Not Even an Option" case, readers meet Amit, a pharmaceutical representative in a developing country. Amit is clear that paying bribes is not an option for him (read his story at the end of this book). And, yet, it seems that he and his company will not succeed unless he succumbs to societal norms and pays bribes

to government officials to review and accept his company's registrations for the drugs. Participants analyze Amit's situation and ask: given Amit's unwillingness to pay bribes, what should he do and say, and to whom? These situations start from the point where the protagonist knows his values and what is right for him to do. GVV is, then, a curriculum about taking actions post-decision-making. The analytical work can be further subdivided into three parts. First, participants engage in a stakeholder analysis. This is not the traditional "stakeholder analysis" that encourages a utilitarian weighing and making of trade-offs, but rather is an effort to understand how to effectively influence key people. Second, people need to anticipate how stakeholders might respond to the protagonist's questioning of the stakeholders' actions. Gentile calls this the "reasons and rationalization" that a protagonist might expect from others. And, third, Gentile asks: what levers can a protagonist use to persuade stakeholders to join the protagonist's vision?

3. The practice of speaking one's values and receiving feedback: One of the central tenets of GVV is the importance of "pre-scripting." As noted above, the GVV cases often invite readers to decide to whom the protagonist should talk and what she should say. Gentile believes that participants' practice in speaking their values after they have analyzed a situation "is both a cognitive exercise as well as a behavioral and emotional one". Participants write out a script, speak the script in front of another participant, and receive feedback from a third participant—observer who acts as a peer coach to the participant who is articulating the script. Delivering a script challenges participants to articulate often vaguely formed ideas, which deepens their sense that they will take action in difficult, future situations.

## **2.8 MODEL4: DUCK'S EMOTIONAL TRANSITIONS THROUGH CHANGE**

The fourth model captures the people and their emotional responses to the change process. In *The Change Monster: The Human Forces That Fuel or Foil Corporate Transformation & Change*, consultant Jeanie Daniel Duck argues that organizational change evolves in a fairly predictable and manageable series of phases that she calls the "Change Curve." This Change Curve is a "simplification and an approximation" of complex, ambiguous, and volatile human emotions that

accompany all types of organizational change, from externally driven mergers and acquisitions to internally planned and managed new programs.

### **Duck's Five-Stage Change Curve**

1. Stagnation occurs when people have their heads in the sand and have an insufficient sense of threat or challenge from the external world. This can only end with a forceful demand for change from the external environment, such as a merger or acquisition, or from internal pressures for change from a strong internal leader or group. It is the leader's role to push people to see the truth of their situation and to wake them up.

2. Preparation begins with a dramatic announcement of change from an internal person, such as the CEO, or from an external force, such as an announcement of a takeover. Immediately, some people feel anxious or jittery; others may be hopeful that needed change is coming; while still others will retreat to cynicism and will not take the announcement seriously. When this rush of emotion occurs, productivity often goes down. This phase requires a tremendous amount of planning and operational work by the leaders. In addition, organizational leaders must be aligned for the planned change to succeed.

3. Implementation is when the journey begins. It includes designing new organizational structures, job descriptions, and lots of other detailed plans. However, operational changes are not enough: Implementation also requires changing people's mindsets and work practices—in other words, people's emotional maps and habits.

4. Determination kicks in when people realize that the change is real and they will need "to live their work lives differently". Duck argues that "people long for an excuse to quit the hard path of transformation," requiring leaders to recognize this emotional trap and to pursue the new vision with high energy and enthusiasm.

5. Fruition is the time when the hard work pays off and the organization seems new. "The employees feel confident in themselves; they're optimistic and energized, and they're able to get their work done with less hassle, in less time, and with better results". Leaders need to make sure that this basking in the satisfaction of the change does not lead to napping and future stagnation. In 1969, Elizabeth Kübler-Ross observed and wrote in *On Death and Dying* about the five predictable emotional stages in terminally ill patients: denial, anger, bargaining, depression, and

finally acceptance. She later said that these observable stages apply to children whose parents are going through divorce and to people who experience traumatic losses, such as parents whose child dies. Although Duck does not reference Kübler-Ross, Duck focuses on predictable human emotional responses to organizational change. In reality, people embrace change differently and at dissimilar speeds; Duck argues, however, that individuals go through similar emotional responses to change. It is the savvy leader who monitors his own emotional response to change, anticipates and articulates underlying negative and positive emotional responses to change, and then pulls the group through the negative to excitement and satisfaction with the new order.

## **2.9 MODEL5 - MANAGING THE CHANGE PROCESS BY BECKHARD AND HARRIS**

The fifth model of change, outlined by Beckhard and Harris, has a strong focus on process. Building on the work of Kurt Lewin, Beckhard and Harris propose a process model that begins with an assessment of why change is needed. Here the forces for and against change are analyzed and understood. A thorough understanding of the organization and its stakeholders will assist in this analysis. Following the recognition of the need for change, leaders are faced with the task of defining and describing a desired future state in contrast to an organization's present reality. This process is called a gap analysis. This second step in the change process involves both determining the need for change and creating a powerful change vision. A desired future state allows leaders to identify the gap between the present and the future and how they propose to close the gap. This is one of the most important steps in the Beckhard and Harris Model and one that change leaders need to attend to. The discussion of how to get from the present to a desired future state represents the action or implementation state. The final step in the change process is to manage the transition. Beckhard and Harris provide a useful elaboration of how the process of change occurs. What is not so clear is how to bring the various stages of the model to life, in order to see change through to a successful outcome. The Change Path Model addresses this matter.

## **2.10 MODEL5 - THE CHANGE PATH MODEL BY CAWSEY-DESZCA-INGOLS**

Extracting from the preceding models, years of consulting work, and decades of teaching and talking with managers and executives about change, the Change Path Model combines process and prescription: There is more detail and direction than Lewin and less instruction than Kotter.

### **Steps of Change path model**

1. Awakening—the stage of the process in which the need for change is determined and the nature of the change or vision is characterized in terms others can understand  
Mobilization—the identification of the distance between the desired future state and the present state at which the system operates.
2. Acceleration—the stage of the process in which plans are developed for bridging the gap between the current mode of operation and the desired future state and the means by which the transition will be managed. A key part of this stage includes action planning and implementation.
3. Institutionalization—the process of making the change inherent in organizational processes. Also, a consideration of how to measure change and what measures will be used to help identify where the organization is and the level of success achieved.

## **2.11 SELF CHECK QUESTIONS**

**2.11.1** - Describe Kurt Lewin three stage model.

## **2.12 SUMMARY**

Organizational change is not only meant to tackle the uncontrollable environmental forces but it helps organizations to satisfy their customers and secure their future. The various models suggested by the different change practitioners range from very simple model to complex models depending upon the complexity of the change.

## **2.13 ANSWERS TO SELF CHECK QUESTIONS**

**2.4.1** Organizational change is defined as "the adoption of a new idea or behavior by an organization".

2.4.2 change benefit organizations and employees in the following ways:

Buildup Competition

Bring Technological Advancement

Develop Satisfied Customers

2.4.3 Changes refers to any alteration of the status quo, whereas innovation is more specialized kind of change. Innovation is a new idea applied to initiating or improving a process, product, or service.

2.11.1 Kurt Lewin wrote about the problem of how to bring about change. He described a three-stage model of change:

**Unfreeze → Change → Refreeze**

## **2.14 REVIEW QUESTIONS**

- Q1. What are the different models of organizational change?
- Q2. What is the nature, significance and importance of organizational change?

## **2.15 SUGGESTED READINGS**

Anderson, L. D. (2017). *Organizational Development*. California: Sage Publications, Inc.

Cawsey, F. T., Deszca, G., & Ingols, C. (2016). *Organizational Change*. California: Sage Publication, Inc.

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**MBA DE  
LESSON 3**

**ORGANISATIONAL DEVELOPMENT AND CHANGE  
COPING STRATEGIES AND RESISTANCE TO CHANGE**

**AUTHOR: Dr. AMANPREET SINGH\***

**STRUCTURE OF THE LESSON:**

3.0 RESISTANCE TO CHANGE

3.1 FORMS OF RESISTANCE

3.1.1 Resistance in Subtler forms

3.1.2 Forceful Resistance

3.2 DIFFERENT KIND OF RESISTANCE

3.3 SELF CHECK QUESTIONS

3.4 CAUSES OF RESISTANCE TO CHANGE

3.5 COPING STRATEGIES FOR ORGANIZATIONAL CHANGE

3.6 OVERCOMING RESISTANCE TO CHANGE/MANAGERIAL OPTIONS TO  
IMPLEMENT THE CHANGE

3.7 SELF CHECK QUESTIONS

3.8 GUIDELINES FOR FACILITATING CHANGE

3.9 ANSWERS TO SELF CHECK QUESTIONS

3.10 SUMMARY

3.11 REVIEW QUESTIONS

3.12 SUGGESTED READINGS

### **3.0 OBJECTIVES**

After going through this lesson, you will be able to understand the ongoing coping strategies and resistance to change. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the major changes that may impact the different kind of resistance and coping strategies for Organizational Change.

#### **3.1 RESISTANCE TO CHANGE**

Resistance to change means an act of disobedience, defiance, and/or is a reactive process by which employees (or others) oppose initiatives by change agents. The resistance is psychological phenomenon and researches has shown that it has three dimensions -

**Cognitive dimension:** relates to an individual's beliefs about the change and how they assess the change situation.

**Emotional dimension:** Refers to an individual's feelings associated with the change that could include fear, anxiousness, anger, disappointment, and worry.

**Behavioral dimension:** Protest, expression of dissent, and sabotage and other actions that individuals and groups take to alter or interfere with a change process.

#### **3.2 FORMS OF RESISTANCE**

We can array the ideas related to resistance in many different ways, but for simplicity's sake we discuss them here in terms of subtle and more forceful versions of resistance. This should not be considered as a stand-in for degrees of effectiveness, but rather a convenient description of intensity from an observer's point of view.

**3.2.1 Resistance in Subtler Forms** - at the subtle end of the continuum (see Figure 3) are those reactions that some managers describe as resistant but that others have referred to as “ambivalence” or “reluctance”. Subtler form of resistance may be a state of hesitation in which stakeholders are reluctant to fully embrace a change effort due to legitimate concerns about the potential consequences of its application”. People do not resist change per se, rather they resist

the negative consequences that could potentially accompany that change such as uncertainty, fear, loss of status or power, and/or personal harm. The phase of contemplation of those possible consequences is no doubt marked by ambivalence for many stakeholders.

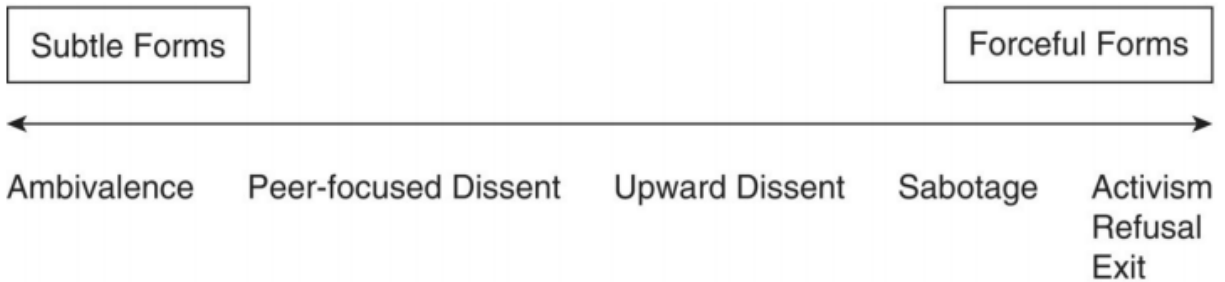


Figure 3: forms of resistance

There are three dimensions of reactions to change (cognitive, emotional, behavioral) need not be complementary at any given point in time. For example, the feelings and beliefs may contradict one another. One may have very negative feelings about a layoff but believe it is necessary for the organization's survival. Even contradiction within one of these three dimensions is possible. Contradictions such as those can result in ambivalent responses along the dimensions of beliefs (“this is partly a good idea, but I'm not sure I believe it will work”), emotion (“I think this is exciting, but I'm fearful of the risk we are taking”), and behavioral intentions (“I'm planning to cooperate, but I'm not sure I'm going to be enthusiastic about it at first”). The most employees (and one might argue the same is true about other stakeholders) will experience some ambivalence during any change.

**3.2.2 Forceful Resistance** - Upward dissent can be represented on Figure 3 further down the scale towards forceful resistance. In these actions, stakeholders attempt to influence those who can make a difference in the organization. The dissent literature has found a number of triggers and goals for dissenting. Triggers of employee expressions of dissent include climate (e.g. workplace freedom of speech), individual characteristics (personality, argumentativeness, verbal aggressiveness), relational issues (e.g. quality of superior–subordinate relationship, management treatment of co-workers), and organizational factors (organizational role, tenure).

### 3.3 SELF CHECK QUESTIONS

3.3.1 Explain resistance to change.

3.3.2 what are the dimensions to resistance to change?

### **3.3 DIFFERENT KIND OF RESISTANCE**

In order to understand the logic behind resistance to change in the organizations, it is necessary to consider the kind of resistance proposed by Hambrick and Cannella (1989). Specifically, resistance may be blind, political or ideological:

**Blind resistance** - a few people in an organization are afraid and intolerant of change regardless of what it may be with having knee-jerk reaction to change. In organizations, members can also react defensively at first and not get used to the idea of change due to the fact that unknown is being discomforting. It is best to provide reassurance these individuals and let time to pass without putting pressure on them are two kinds of response that may be useful here. Therefore, getting used to new idea of change in organization sometimes needs time.

**Political resistance** - organization members having political resistance think that they will lose something of value to when the change is implemented, like loss of one's power base, position, and role in the organization, status, size of budget, even personal compensation. In these instances, change agent becomes a negotiator and the negotiation begins; that is, trading something of value with something else of value. Besides, some people also argue that change provide long term loss gain versus short term loss. In organizations managers/supervisors may sometimes think that implemented change will lead to loss of their position, power and/or role within other members.

**Ideological resistance** - intellectually honest people can disagree about organizational change. Some may genuinely believe that the proposed change is ill-timed, will simply not work, and/or will cause more damage than improvement. That is to say, resistance to change results from intellectual differences in genuine beliefs, feelings or philosophies. To illustrate, members in the organization may feel that the proposed changes in the organizations are wrong thing to do and violate their deeply held values. When they feel that the planned change is ill fated, they provide their logical reasons why they feel just like that and resist change. Under these circumstances, the change agent's strategy here is to gather more data, more facts to bolster the case for change and to attempt once again to persuade those. In this category of resistance, intellectually honest people can be influenced through building one's case with further documentation and sound reasoning.

### **3.4 CAUSES OF RESISTANCE TO CHANGE**

Even though resistance to change can take many forms, it is difficult to identify the reasons for the resistance. The forces against change in work organizations include disregarding the needs and expectations of the organization members; providing insufficient information about the nature of change and not acknowledging the need for change. Therefore, people may exhibit fear and anxiety over such matters like job security, employment levels, loss of job satisfaction, different wage rates, loss of individual control over work and changes to working conditions. Despite the fact that change is implemented for positive reasons like adapting to volatile environment conditions and remaining competitive, organization members often react to change efforts negatively and resist change. The main reason behind this negative reaction is due to pressure, stress and uncertainty coming with change. Some common reasons for resistance to change within organizations include interference with need fulfilment, selective perception, habit, inconvenience or loss of freedom, economic implications, security in the past, fear of the unknown, threats to power or influence, knowledge and skill obsolescence, organizational structure and limited resources.

**Interference with need fulfilment** - Changes preventing people from fulfilment of economic, social, esteem and other needs may encounter with resistance. Thus, people resist changes that lower their income, job status and social relationships.

**Selective perception** - People process the provided information selectively in order not to change their point of view. Indeed, people hear what they want to hear and disregard any information threatening their perspective. In other words, people interpret an image of the real world with their own perception of reality which gives birth to a biased view of a particular situation and resistance to change occurs.

**Habit** - When changes are faced with, individuals may tend to re-act these changes due to accustom to their usual manner of behaving. Actually, people tend to respond situations in an accustomed manner. Since habits serve as means of security and comfort, proposed changes to habits may be resisted.

**Inconvenience or loss of freedom** - when change is seen as troublesome and reduce freedom of action with increased control, organization members may resist change implementations.

**Economic implications** - if change is perceived as reducing pay or other rewards, individuals are likely to resist change. People may want to maintain the status quo by establishing the patterns of working.

**Security in the past** - individuals who have higher security needs resist change more than others because change threatens their sense of security. When people face with new and unfamiliar methods or difficult and frustrated occasions, they may reflect on past with a wish to retain old ways.

**Fear of the unknown** - if innovative or radical changes introduced without giving information about the nature of change, the organization members become fearful and anxious about change implications. In fact, change takes place of doubt and uncertainty because people like stability.

**Threats to power or influence** - administrative and technological changes threatening power bases in the organization may lead to trigger resistance due to being seen as a threat to power or influence of certain groups in controlling over decisions, resources and information concepts. Specifically, intimidating changes may menace specialized groups in the organization. Reallocation of decision making authority could threaten long term power relations.

**Knowledge and skill obsolescence** - Organization members resist organizational changes when their knowledge and skills are obsolete. It is essential to state that knowledge is related to management while skills can be applied to any member of the organization.

**Organizational structure** - In organizations which have ideal bureaucracy with hierarchy of authority; division of labor and specialization, regulations and rules, some degree of structure are given to groups for fulfilling the organization's goals. However, this need would be dysfunctional to the organization with serving as a main factor for resistance to change.

**Limited resources** - Organizations not having available resources prefer to maintain their status quo since change requires resources like capital and people having appropriate skills and time. Inadequate resources may lead to abandon the desired changes.

### **3.5 COPING STRATEGIES FOR ORGANIZATIONAL CHANGE**

Change is inevitable. From personal shifts to a changing political climate, adjusting to a new normal can be challenging. One may feel a mix of emotions ranging from joy to sadness and depression. For the change agent, it is challenging job to communicate and convince. But if the logic, benefits, and compulsions are well communicated to the members of the organization, the task become much simpler. Following are few coping strategies that would help change agents to bring the transition in the organization.

**Be open to change** - the first step to coping with change is to communicate the organizational members that they should accept that changes are a part of life and often help us grow and develop skills that we wouldn't have developed if we didn't have to deal with the change. Going through change helps in developing skills. When they navigate periods of change, it enables them to build a sense of confidence. At one point or another there will be a sense of accomplishment that comes with getting through the discomfort of change and realizing that they we have been able to handle this new environment.

**Work out what's in your control and what isn't** - whilst change can cause anxiety and discomfort, among the organizational members, the change manager should intend to distinguish between aspects of the change may and may not be controlled. This would help to handle the change positively. We can't always avoid change, there may be some things that are under control, or things that can be done to help adjust to the change much easier. **Connect with people who understand your experiences.** If it is difficult to deal with a new transition, it's much easier to talk to people than go it alone. Reach out to others who may be experiencing a similar life change or who have been through this before.

**Be flexible – the change manager must be flexible and acceptable to new ideas or in implementation of change. The change manager must listen to other members of the organization how to implement the change and be flexible enough to accept it so that there is minimum level of discomfort among others.** A big part of successfully managing change involves letting go of any preconceived ideas or set attitudes of how things should be. For example, if you're transitioning to online work or study, it could disrupt your schedule more than you had anticipated. Although you might think you can go about things as you normally would, 'You might need to readjust your time or something in your lifestyle until you've transitioned,' she says. And when it comes to maintaining meaningful relationships with friends, you might need to get more creative with technology to keep in touch.

**Embrace change one step at a time** - When you're finding your way in a new phase of life, you don't have to feel comfortable with everything immediately. 'Set a number of key goals for yourself relating to coping with the change and focus on achieving these one by one. If everything seems a bit much, break it down. Celebrate little victories. Set a small goal. You don't have to be good at everything straight away.'

### **3.6 OVERCOMING RESISTANCE TO CHANGE/MANAGERIAL OPTIONS TO IMPLEMENT THE CHANGE**

Even though organizational change is considered as alterations in technology, hierarchy or in structures in the organization, it is obvious that change has tremendous impact on individuals in the organization. However, the reason why many organizations fail to accomplish change initiatives is associated with underestimating the influence of change on the individual. Therefore, neglecting psychological perceptions of employees toward change lead to failure of change initiatives in organizations. Though, for successful change implementations, it is necessary to manage psychological transition of employees effectively. It is essential to realize that effective management of change is based on clear understanding of human behavior in the organization. Due to the challenge of change, individuals may react with some emotions like uncertainty, frustration or fear and feel threatened and disoriented. Therefore, people often exhibit a defensive and negative attitude and resist to change initiatives. Because of being complex and psychological event, the power of change needs to be respected and managed effectively. In order to be successful, dedicated workforce and effective management of change are necessary in organizations. Besides, different impact of change on each person and nature of change should be considered. In organizational settings, defensive and negative attitudes may be displayed by members and people may show uncertainty, fear and frustration about change initiatives. That is, change may influence individuals in educational organizations differently. Therefore, successful implementation of change demands positive action from management are advised to prefer a contingency approach involving situational factors as in the following while dealing with resistance to change.

Six specific methods helping in overcoming resistance to change that organizational administrators can use are education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, explicit and implicit coercion.

**Education and communication** - individuals in the organization are objected to be educated about the nature of and need for change before implementing and the logic of change needs to be explained. When resistance is based on inaccurate and lack of information, this strategy seems work best.



**Participation and involvement-** allowing people to planning, designing and implementing the changes provide organization members to contribute ideas and advices that lead change. This strategy is useful when change initiators do not have all the information they need to design the changes and other members have important information and considerable power to resist.

**Facilitation and support** - with the goal of helping to deal with resistance by emotional and material help; people having hardships of change are actively listened by the management about their ideas, problems and complaints with using their ideas that have merit. That is, supportive principals make the work environment more pleasant and enjoyable for change process. This strategy is essentially utilized when organizational members are frustrated by work constraints and difficulties that are encountered in change process and have adjustment problems.

**Negotiation and agreement** - incentives to actual or potential change resisters in the organization are offered in negotiation and agreement method. In fact, trade-offs for special benefits are arranged with these resisters and unblocking of the change initiatives is assured. This approach is preferred when someone in the organization clearly loses something of value in change process and has power to resist.

**Manipulation and co-optation** - in order to reach the desired change, influencing other people in organization is attempted, the necessary information is provided and the required events for change are structured. When aforementioned tactics do not work and are seen as expensive, manipulation and co-optation approach is common.

**Explicit and implicit coercion** - change initiators employ the force of their authority for acceptance of the change by people in organization. Resisters in the organizations are threatened with undesirable situations if they do not go along the proposed changes. When speed is essential like in crisis situations and change agents have considerable power, this method may be used. However, it should be kept in mind that there are negative effects of using coercion such as frustration, fear, revenge and alienation which in turn may give birth to poor performance, dissatisfaction and turnover.

### **3.7 SELF CHECK QUESTIONS**

**3.7.1** Explain Political Resistance.

**3.7.2** What is Ideological resistance.

### **3.8 GUIDELINES FOR FACILITATING CHANGE**

People's reactions to change often include anxiety, bewilderment, confusion, and anger. Here are a few guidelines that may help implement change easily -

- Be Prompt - announce to yourself and to others the impending change as quickly as possible.
- Explain and Know Reasons - know why the change is important and how it will affect you and/or the group with which you are involved.
- Explain What the Changes Mean to the Individual - let each member know how he/she will be affected by the change. Explain benefits of the change and pledge to protect your people against losses.
- Ask for Advice - look around you and find people who would be able to provide sound advice (i.e., people who have been through similar experiences, people who are professionals in the area you are attempting to change). It is ok to seek out additional guidance. Invariably, someone has been through a similar change and/or transition.
- Invite Participation - get organizational members into the act whenever you can. The more ownership and control members have for the change, the more investment and commitment they will feel.

### **3.9 ANSWERS TO SELF CHECK QUESTIONS**

**3.3.1** Resistance to change means an act of disobedience, defiance, and/or is a reactive process by which employees (or others) oppose initiatives by change agents.

**3.3.2** The resistance is psychological phenomenon and researches has shown that it has three dimensions –

- Cognitive dimension
- Emotional dimension
- Behavioral dimension

**3.7.1** In organizations managers/supervisors may sometimes think that implemented change will lead to loss of their position, power and/or role within other members.

**3.7.2** In this category of resistance, intellectually honest people can be influenced through building one's case with further documentation and sound reasoning.

### **3.10 SUMMARY**

Everyone in the organization is not receptive to change. There are people who resist change and there are various reasons for resistance to change. The resistance may be at individual level, group level and organizational level. But the responsibility of change managers is to devise strategies to overcome this resistance. The chapter discusses the guidelines for facilitating the change.

### **3.11 REVIEW QUESTIONS**

#### **Short Questions**

- Q1. What are the different forms and kinds of resistance to change?
- Q2. What are the causes to change?

#### **Long Questions**

- Q3. What are the coping strategies to overcome the resistance to change?
- Q4. What are the guidelines for facilitating the change?

### **3.12 SUGGESTED READINGS**

Anderson, L. D. (2017). *Organizational Development*. California: Sage Publications, Inc.

Cawsey, F. T., Deszca, G., & Ingols, C. (2016). *Organizational Change*. California: Sage Publication, Inc.

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**MBA DE ORGANISATIONAL DEVELOPMENT AND CHANGE**  
**LESSON 4 INTRODUCTION TO ORGANIZATION DEVELOPMENT**

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**STRUCTURE OF THE LESSON:**

- 4.0 OBJECTIVES
- 4.1 INTRODUCTION
- 4.2 MEANING AND DEFINITION OF OD
- 4.3 OD CHARACTERISTICS
- 4.4 OD SOME IMPORTANT THEMES OF OD
- 4.5 NEED FOR ORGANIZATION DEVELOPMENT
- 4.6 SELF CHECK QUESTIONS
- 4.7 OBJECTIVES OF OD
- 4.8 ASSUMPTIONS
- 4.9 STEPS IN ORGANIZATION DEVELOPMENT PROCESS
- 4.10 HISTORICAL DEVELOPMENT OF OD
- 4.11 SELF CHECK QUESTIONS
- 4.12 CONCLUSION
- 4.13 BENEFITS OF OD
- 4.14 ISSUES AND CHALLENGES OF OD
- 4.15 SUMMARY
- 4.16 REVIEW QUESTIONS
- 4.17 ANSWERS TO SELF CHECK QUESTIONS
- 4.18 GLOSSARY

## 4.19 SUGGESTED READINGS

### **4.0 OBJECTIVES**

After reading this chapter, the student should be able to Understand the concept and meaning of Organization Development. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the need, objectives of Organization Development (OD), find out the process of OD and study the issue and challenges of OD

### **4.1 INTRODUCTION**

The term “Organizational Development” came into limelight in 1950s and 1960. It was popularized by theorist like Blake, Mouton, Shepard and Beckard. Organizational Development is considered to be a modern approach, to the management of change. Organizational Development offers an approach to bringing about a positive change in Organizational efficiency and effectiveness. OD takes organization to higher level of performance by excelling. It aims at building internal competencies and teams in the organization. It focuses on behavior and uses behavioral tools.

### **4.2 MEANING AND DEFINITION OF OD**

Organizational Development (OD) is a technique used for bringing change in the entire aspect of the organization rather than focusing attention on the individuals, so that change is readily absorbed. OD is a process of planned change in organization –wide to increase organization effectiveness through changing the method or process by which work is done.

OD is the art of learning solving problems and taking advantages of opportunities to keep improving through the process of carrying out changes in the internal environment to the conform to the fast changing external environment. OD is a planned approach to respond effectively to changes in its environment.

OD is a powerful change strategy. It uses process consultation where the consultant work with the leader and group to diagnose and enables them to solve their own problems. It is

participative, collaborative and problems focused approach. It taps the experience and expertise of members as they work on their problems to generate solutions.

OD has been defined in many different ways. In general terms, it is an effort to improve an organization's effectiveness by dealing with individuals, groups and over all organizational problems from both technical standpoint and a human standpoint. At the heart of OD is concern for improving the relationship among the organizational personnel.

According to French and Bell," Organizational development is a long range effort to improve an organization's problem-solving and renewal processes, particularly, through a more effective and collaborative management of organization culture with special emphasis on the culture of formal work team with the assistance of change agent or catalyst and use of theory and technology of applied behavior science.

According to R. Bechard," Organizational development is an effort (1) planned (2) organization wide and (3) managed from the top (4) to increase organization effectiveness and health (5) through planned interventions in the organization's processes using behavioral science knowledge.

According to Burke," Organization development is a planned process of change in an organization's culture through the utilization of behavioral science technology, research and theory.

OD represents an accumulation of behavioral techniques that are being consolidated in a system-wide attempt to develop the entire organization. OD is defined to improve organization effectiveness by dealing with individuals, group to improve organizational problems both technical and human.

Thus organization development seeks to change beliefs,attitudes,values,structures and practices so that organization can better adapt to technology and live with fast pace to change.

### **4.3 OD CHARACTERISTICS**

OD may be referred as:

- I. Systematic, long range, planned efforts
- II. Organization wide

- III. Managed from the top
- IV. To increase organization effectiveness and health
- V. Through planned interventions
- VI. Using behavior science knowledge and action research and
- VII. With the use of external consultant

#### **4.4 OD SOME IMPORTANT THEMES OF OD**

- I. Planned change is needed due to various factors both external and internal to the organization. Embrace change as an opportunity rather than threat. So organization has to make changes in planned way. It is a planned process of change in the organization's culture through the utilization of behavior science technology, research and theory.
- II. OD's major focus is to improve the functioning of individuals, teams and total organization.
- III. OD aims at teaching members in the organization to continuously learn to improve the functioning and able to solve their own problems.
- IV. Applying the action research process which has three components:
  - a. Participating of members in all activities
  - b. Change agent to play the role of collaborator and co learner and
  - c. Initiating a process of diagnosis and action

V OD focus is on improving organizational effectiveness and culture. For this od focus is three fold:

- a) By improving organizational process
- b) Redesign the organization structure to make it function better and
- c) Change organization as system

#### **4.5 NEED FOR ORGANIZATIONAL DEVELOPMENT**

OD is a dynamic technique. It uses the behavioral science knowledge to assist the organizations in adjusting easily to changes. OD has grown rapidly in response to the need of the organization to remain viable and to survive in the world of change.

**4.5.1 Training for change:** Basic objective of OD is to bring about change in the organization structure so that it supports training.

**4.5.2 To help in making the organization culture more responsive:** OD helps in creating receptive and effective organization so that changes are implemented and absorbed to make organization survive and grow. OD reaches to all aspects of organization culture in order to make it more responsive.

## **4.6 SELF CHECK QUESTIONS**

**4.6.1** Define Organizational Development

**4.6.2** Write the characteristics of OD.

## **4.7 OBJECTIVES OF ORGANIZATION DEVELOPMENT**

- I. OD represents a viable strategy for improving organizational effectiveness and enhancing the quality of work life of members.
- II. It makes organization better able to achieve both the goals of the organization and goals of individuals within the organization
- III. It keeps the work organizational productive as well as hospitable for members
- IV. It is strategy for better adaptation of the organization to its environment.
- V. Its focus is on developing total organization.
- VI. Bring improvement in organization process like interpersonal and intergroup relations, openness, communication, trust and understanding etc.
- VII. Improve organizational performance and innovativeness

## **4.8 ASSUMPTIONS OF OD**

- I. Most of the individuals are motivated by personal growth and development. The attitude of a person towards his job will depend upon his growth potential. Efforts should be made to change the way a person is treated in the organization rather than attempting to change the person. The work habits of person could be changed effectively and positively if the work environment is changed according to his requirements.
- II. With the effective integration of individual goals with organizational goals, organization could obtain highest level of higher productivity.
- III. OD tends to assume that co-operation is more effective than conflict. In healthy organizations, efforts are made at all levels to treat conflict as a problem subject to problem solving method.



- IV. Free expression of feeling is an important ingredient for commitment to work.
- V. The level of interpersonal trust, support and co-operation should be high as possible
- VI. There should be a sense of commitment among the employees in the organization.
- VII. Organizational development cannot be implemented in isolation. It must be reinforced by the organization's total human resource system.

#### **4.9 STEPS IN ORGANIZATION DEVELOPMENT PROCESS**

Organization development can be implemented in a number of different ways. However, there are usually some steps that are always taken in the process of bringing about change.

- I. The first step in bringing about any change is the recognition that change is necessary. Managers recognize performance problems and or areas of possible improvement.
- II. A change agent (interventionist or consultant) may be brought into the firm to speak with several of the firm's key managers and supervisors as well as with a segment of rank file workers.
- III. The change agent gathers information through interviews, meeting and survey questionnaire
- IV. The change agent feed data information back to department or work areas and assist them in studying and planning changes for improvement.
- V. Some changes take place as a result of change treatment (implementation of one or several od processes)
- VI. Information is gathered to ascertain if the change treatment actually improved the situation.

Organization development is four stage exercise. It involves:

- 1. Diagnosis (participative, data gathering and survey)
- 2. Action plan strategy (data feedback and planning change)
- 3. Interventions
- 4. Evaluation (feedback)

All stages involved intense interaction and mutual consultant at various levels in the organization.

#### **4.10 HISTORICAL DEVELOPMENT**

Organization Development (OD) is a subject and approach that has emerged in its own right over the last 50 or so years. As it has emerged as a discipline in the late 1960s. Richard Beckhard defined its key characteristics as being:

- Planned
- Organization-wide
- Managed from the top

In order to increase organizational effectiveness and health through intervention in the organization processes, using behavioral science knowledge.

Nevertheless, pioneers of OD in 1960s were still mainly pre-occupied with interventions at either an individual or group level, chiefly to facilitate incremental change rather than the “whole system” large scale interventions which characterize the strategic change efforts and initiatives that are used together.

Bell and French have stated that OD emerged largely from applied behavioral science. It has four major sources:

- I. The inventions of T-group and innovations in application of laboratory training insights to complex organizations
- II. The invention of survey feedback technology,
- III. The emergence of action research
- IV. The evolution of the Tavistock socio-technical approaches

They further add that importance for applying OD approaches have changed to an increasingly turbulent environment. OD PR actioners also give considerable attentions to new concepts, interventions and area of applications. Among the directions of interest in second generation OD are organizational transformation, organizational culture, the learning organization, high performance teams, total quality management, business process reengineering.

It can be seen from the brief through the history that OD has moved from its early beginning in 1960s. Each decade built upon theories, research and learning from the previous decade. OD today is often characterizing system wide; transformation; interventions and strategies, with clear focus on empowerment, inclusion, participation, values and ethics and on developing leaders and people in order to develop the organization and deliver high levels of customer and stakeholder satisfaction.

## History of OD in India

In India OD and planned change started in the early 1960s. A groups of Indian professional trained at the National Training Laboratories (NTL) AT Bethel, MAINE, USA brought a good deal of OD technology to India. Grid program were initiated in the early 1960s in Larsen &Toubro. The T-group was initiated and widely used at Small-Industries Extension Training (SIET) Institute, Hyderabad, State Bank of India and in the Indian Institute of Management (IIM) program, in the mid-1960s. Unfortunately, these remained isolated efforts and did not take OD to its logical conclusions.

In the mid-1970s OD was first introduced in India in Larsen & Toubro and Bharat Heavy Electricals Limited, Bhopal plant as formal and structured part. There have been several efforts to apply the OD approach and associated techniques in India but it has not created the desired impact. The scenario has changed thanks to increasing number of applied behavioral scientists and T-group trainers.

### **4.11 SELF CHECK QUESTIONS**

**4.11.1** Explain the need of OD

4.11.2 What are the benefits of OD.

### **4.12 CONCLUSION**

OD operates on the bottom up rather than top down approach to change. This approach means that an important role in development is played by members of the organization rather than having the change implemented only by top management or a consultant. Organization members study how they are positively accomplishing the work and details how they should accomplish work in ideal sense. OD offers all employees the opportunity to help create their own work environment as a means of heightening their feeling of ownership and commitment.

OD is a planned system to bring change in human, social and technological process. OD is ongoing process f meeting new challenges in changing environments. Success of od depends on commitment and involvement of management and employees. OD is people oriented approach based on humanistic democratic values e.g. participation, collaboration and confrontation.

### **4.13 BENEFITS OF ORGANIZATION DEVELOPMENT**

1. Provides opportunities for people to function as human being rather than mere resources in the production process.

2. Give each member of the organization opportunity to develop to his full potential.
3. Seeks to make the organization more effective in meeting all its goals
4. Tries to create an environment in which exciting and challenging work can be found
5. Give people in the organization the chance to influence how they relate to work, the organization and work environment
6. Treats each human being as a person with complex set of needs, all of which are important in his work and life.

#### **4.14 ISSUES AND CHALLENGES**

OD is an important technique of introducing change. But as a method of inducing change, it has certain limitations also. David A Nadler has stated four major problems of managing organization change. These are resistance, power, control and task redefinition and these affect the four basic elements of the organization, i.e. people, structure, information system and tasks. These four are related to each other in such a way that what happens to one part affects the all other.

Limitations of Organization development are given including some by French and Bell:

- I. Imprecision of definition and conceptualization concerning OD
- II. Inadequacy of Client –consultant relationship
- III. Non availability of behavior science consultant who has expertise in OD
- IV. Lack of knowledge of skillful interventions and effectiveness of various strategies
- V. Top management support sniff involvement for long duration as persons may change
- VI. Failure in linking OD changes with other subsystems such as appraisal, rewards and leadership
- VII. Lack of innovativeness in bringing about congruent with other programs aimed at organization improvement such as job design, MBO, self-managed groups, Quality Circles (QC), Quality of Work Life (QWL), Total Quality Management (TQM), reengineering process etc.
- VIII. Successful OD is a total system effort, a process of planned change not a program with temporary quality.
- IX. There are problems in measuring attitude changes.

#### Key Points to Manage OD

- 1) Take a holistic view of the organization
- 2) Secure top management support
- 3) Encourage participation by those affected by the change
- 4) Foster open communication
- 5) Reward those who contribute to change

#### **4.15 SUMMARY**

Organization Development is considered to be modern approach to the management of change. It is a technique used for bringing change in the entire aspect of the organization rather than focusing attention on individuals, so that change is readily absorbed. It seeks to change beliefs, attitudes, values, structures and practices so that the organization can better adapt to technology and live with fast pace of change. Organization has grown rapidly in response to the need of the organization to remain viable and to survive in the word of change. OD is a planned system to bring change in human, social and technological process. OD is ongoing process f meeting new challenges in changing environments. Success of od depends on commitment and involvement of management and employees. OD is people oriented approach based on humanistic democratic values e.g. participation, collaboration and confrontation.

David A Nadler has stated four major problems of managing organization change. These are resistance, power, control and task redefinition and these affect the four basic elements of the organization i.e. people, structure, information system and tasks. These four are related to each other in such a way that what happens to one part affects the all other.

#### **4.16 REVIEW QUESTIONS**

##### **SHORT QUESTIONS**

- 1) Define OD and explain its assumptions.
- 2) What do you mean by Organization Development? Explain the need of OD.

##### **LONG QUESTIONS**

- 1) Write a note on historical development of OD.
- 2) Explain the limitation and challenges of OD.

#### **4.17 ANSWERS TO SELF CHECK QUESTIONS**

4.6.1 OD is the art of learning solving problems and taking advantages of opportunities to keep improving through the process of carrying out changes in the internal environment to the conform to the fast changing external environment.

4.6.2 Some characteristics of OD are:

- Systematic, long range, planned efforts
- Organization wide
- Managed from the top
- To increase organization effectiveness and health

4.11.1 Need for OD can be explained with the below points:

Training for change: Basic objective of OD is to bring about change in the organization structure so that it supports training.

To help in making the organization culture more responsive.

4.11.2 some of the benefits of OD are as follows:

1. Provides opportunities for people to function as human being rather than mere resources in the production process.
2. Give each member of the organization opportunity to develop to his full potential.
3. Seeks to make the organization more effective in meeting all its goals
4. Tries to create an environment in which exciting and challenging work can be found

#### **4.18 GLOSSARY**

- I. Change agent: a change agent or agent of change is someone who promotes and enables change to happen with in any organization
- II. Commitment: an agreement or pledge to do something in future
- III. Effectiveness: the degree to which something is successful in producing a desired result

#### **4.19 SUGGESTED READING**

Bhatia S. K., Management of Change and Organization Development

Beckhard R., Organization Development: Strategies and Models

Gupta Shashi K, Joshi Rosy Organization behavior.



**MBA DE ORGANIZATIONAL BEHAVIOUR AND DEVELOPMENT**

**LESSON-5 MODEL AND THEORIES OF PLANNED CHANGE AND ORGANIZATIONAL DEVELOPMENT PROCESS**

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**STRUCTURE OF THE LESSON:**

5.0 OBJECTIVES

5.1 INTRODUCTION

5.2 DEFINITIONS OF CHANGE

5.3 NATURE AND CHARACTERISTICS OF CHANGE

5.4 FORCES FOR CHANGE

5.4.1 External Forces

5.4.2 Internal Forces

5.5 SELF CHECK QUESTIONS

5.6 LEVEL OF CHANGE PROGRAMS

5.6.1 Individual Level Change

5.6.2 Group Level Change

5.6.3 Organizational Level Change

5.7 MANAGING PLANNED CHANGE OR PLANNED CHANGE PROCESS

5.8 SELF CHECK QUESTIONS

5.9 MODELS OF CHANGE

5.9.1 Systems Model of Change

5.9.2 Lewin's Force Field Analysis Model

5.9.3 The Continuous Change Process Model

5.9.4 Change and Transition Management

5.9.5 Organizational Growth Model

5.10 PROCESS OF ORGANIZATIONAL DEVELOPMENT

5.11 SELF CHECK QUESTIONS

5.12 SUMMARY

5.13 ANSWERS TO SELF CHECK QUESTIONS

5.14 REVIEW QUESTIONS



## 5.15 SUGGESTED READINGS

### **5.0 OBJECTIVES**

After going through this lesson, you will be able to understand the meaning of change, various forces of change and process of change. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the major theories and practices at the various level, nature and process of planned change that may impact the area of Organizational Change.

### **5.1 INTRODUCTION**

Change is inevitable in the life of an individual or Organization. In today's business world, most of the Organizations are facing a dynamic and changing business environment. They should either change or die, there is no third alternative. Organizations that learn and cope with change will thrive and flourish and others who fail to do so will be wiped out. The major forces which make the changes not only desirable but inevitable are technological, economic, political, social, legal, international and labor market environments. Recent surveys of some major Organizations around the world have shown that all successful Organizations are continuously interacting with the environment and making changes in their structural design or philosophy or policies or strategies as the need be.

According to Barney and Griffin, "The primary reason cited for Organizational problems is the failure by managers to properly anticipate or respond to forces for change."

### **5.2 DEFINITIONS OF CHANGE**

"The term change refers to any alternation which occurs in the overall work environment of an Organization." In very simple words we can say that change means the alternation of status quo or making things different.

To quote another definition "when an Organizational system is disturbed by some internal or external force, change occurs frequently. Change, as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is descriptive only."

### **5.3 NATURE AND CHARACTERISTICS OF CHANGE**

- Change results from the pressure of both internal and external forces in the Organization. It disturbs the existing equilibrium or status quo in the Organization.

- The change in any part of the Organization affects the whole of the Organization.
- Change will affect the various parts of the Organization in varying rates of speed and degrees of significance. Changes may affect people, structure, technology and other elements of the Organization.
- Change may be reactive or proactive. When change is brought about due to the pressure of external forces, it is called reactive change. Proactive change is initiated by the management on its own to increase Organizational effectiveness.

## **5.4 FORCES FOR CHANGE**

There are a number of factors both internal and external which affect Organizational functioning. Any change in these factors necessitates changes in an Organization. The more important factors are as follows:

### **5.4.1 External Forces**

External environment affects the Organizations both directly and indirectly. The Organizations do not have any control over the variables in such an environment. Accordingly, the Organization cannot change the environment but must change themselves to align with the environment. A few of these factors are:

**Technology:** Technology is the major external force which calls for change. The adoption of new technology such as computers, telecommunication systems and flexible manufacturing operations has profound impact on the Organizations that adopt them.

The substitution of computer control for direct supervision is resulting in wider spans of control for managers and flatter Organizations. Sophisticated information technology is also making Organizations more responsive: Both the Organizations and their employees will have to become more adaptable. Many jobs will be reshaped. Individuals, who do routine, specialized and narrow jobs will be replaced by workers who can perform multiple in decision-making. Managements will have to increase their investment in training and education of the employees because employee's skills are becoming obsolete more quickly Japanese firms have progressed rapidly because they are very fast in adopting new technological innovations.

**Marketing Conditions:** Marketing conditions are no more static. They are in the process of rapid change as the needs, desires and expectations of the customers change rapidly and frequently. Moreover, there is tough competition in the market as the market is flooded with new products and innovations everyday new methods of advertising are used to influence the customers. Today the concept of consumerism has gained considerable importance and thus, the consumers be treated as the kings.

Moreover, the competition today has some significant new twists; most markets will soon be international because of decreasing transportation and communication costs and the increasing export orientation of business. The global economy will make sure that competitors are likely to come across the ocean as well as from across town. Successful Organizations will be those who can change in response to the competition. Organizations that are not ready for these new sources of competition in the next decade may not exist for long.

**Social Changes:** Social and cultural environment also suggest some changes that the Organizations have to adjust for. There are a lot of social changes due to spread of education, knowledge and a lot of government efforts. Social quality, e.g. equal opportunities to women, equal pay for equal work, has posed new challenges for the management. The management has to follow certain social norms in shaping its employment, marketing and other policies.

**Political Forces:** Political environment within and outside the country have an important impact on business especially the transnational corporations. The interference of the government in business has increased tremendously in most of the countries. The corporate sector is regulated by a lot of laws and regulations. The Organizations do not have any control over the political and legal forces, but they have to adapt to meet the pressure of these forces.

In our country, the new economic policy has liberalized the economy to a large extent. Many of the regulatory laws have been amended to reduce the interference of the Government in business. An Organization is also affected by the world politics. Some of the changes in the world politics which have affected business all over the world are e.g. the reunification of Germany, Iraq's invasion of Kuwait and the break of Soviet Union.

### 5.4.2 Internal Forces

Internal forces are too many and it is very difficult to list them comprehensively. However, major internal causes are explained as follows:

**Nature of the Workforce:** The nature of workforce has changed over a passage of time. Different work values have been expressed by different generations. Workers who are in the age group of 50 plus value loyalty to their employers. Workers in their mid-thirties to mid-forties are loyal to themselves only. The youngest generation of workers is loyal to their careers.

The profile of the workforce is also changing fast. The new generation of workers has better educational qualifications; they place greater emphasis on human values and question authority of managers. Then behavior has also become very complex and leading them towards Organizational goals is a challenge for the managers. The employee turnover is also very high which again puts strain on the management. The workforce is changing, with a rapid increase, in the percentage of women employees, which in turn means, more dual career couples.

**Change in Managerial Personnel:** Change in managerial personnel is another force which brings about change in Organization. Old managers are replaced by new managers which are necessitated because of promotion, retirement, transfer or dismissal. Each manager brings his own ideas and way of working in the Organization. The informal relationships change because of changes in managerial personnel. Sometimes, even though there is no change in personnel, but their attitudes change. As a result, the Organization has to change in accordingly.

Changes in the Organization are more fast when top executives change. Change in top executives will lead to important changes in the Organization in terms of Organization design, allocation of work to individuals, delegation of authority, installation of controls, etc. All these changes will be necessitated because every top executive will have his own style and he will like to use his own ideas and philosophies.

**Deficiencies in Existing Management Structure:** Sometimes changes are necessary because of some deficiencies in the existing Organizational structure, arrangement and processes. These deficiencies may be in the form of unmanageable span of management,

larger number of managerial levels, lack of coordination among various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of cooperation between line and staff and so on. However, the need for change in cases goes unrecognized until some major crisis occurs.

**To Avoid Developing Inertia:** In many cases, Organizational changes take place just to avoid developing inertia or inflexibility. Conscious managers take into account this view that Organization should be dynamic because any single method is not the best tool of management every time. Thus, changes are incorporated so that the personnel develop liking for change and there is no necessary resistance when major changes in the Organization are brought about.

## **5.5 SELF CHECK QUESTIONS**

**5.5.1** Define Organizational Change.

**5.5.2** Explain external forces of change.

## **5.6 LEVEL OF CHANGE PROGRAMS**

The various types of change programs may be classified into individual level change, group level change and Organizational level change.

### **5.6.1 Individual Level Change**

Individual level changes may take place due to changes in job-assignment, transfer of an employee to a different location or the changes in the maturity level of a person which occurs over a passage of time. The general opinion is that change at the individual level will not have significant implications for the Organization. But this is not correct because individual level changes will have impact on the group which in turn will influence the whole Organization. Therefore, a manager should never treat the employees in isolation but he must understand that the individual level change will have repercussions the individual.

### **5.6.2 Group Level Change**

Management must consider group factors while implementing, any change, because most of the Organizational changes have their major effects at the group level. The groups in the

Organization can be formal groups or informal groups. Formal groups can always resist change, for example; the trade unions can very strongly resist the changes proposed by the management. Informal groups can pose a major barrier to change because of the inherent strength they contain. Changes at the group level can affect the work flows, job design, social Organization, influence and status systems and communication patterns.

### **5.6.3 Organizational Level Change**

The Organizational level change involves major programs which affect both the individuals and the groups. Decisions regarding such changes are made by the senior management. These changes occur over long periods of time and require considerable planning for implementation. A few different types of Organization level changes are:

- a. Strategic Change:** Strategic change is the change in the very basic objectives or missions of the Organization. A single objective may have to be changed to multiple objectives.
- b. Structural Change:** Organizational structure is the pattern of relationships among various positions and among various position holders. Structural change involves changing the internal structure of the Organization. This change may be in the whole set of relationships, work assignment and authority structure. Change in Organization structure is required because old relationships and interactions no longer remain valid and useful in the changed circumstances.
- c. Process Oriented Change:** These changes relate to the recent technological developments, information processing and automation. This will involve replacing or retraining personnel, heavy capital equipment investment and operational changes. All this will affect the Organizational culture and as a result the behavior pattern of the individuals.
- d. People Oriented Change:** People oriented changes are directed towards performance improvement, group cohesion, dedication and loyalty to the Organization as well as developing a sense of self-actualization among members. This can be made possible by closer interaction with employees and by special behavioral training and modification sessions. To conclude, we can say that changes at any level affect the other levels. The strength of the effect will depend on the level or source of change.

## **5.7 Managing Planned Change or Planned Change Process**

A planned change is a change planned by the Organization; it does not happen by itself. It is affected by the Organization with the purpose of achieving something that might difficulty. Through planned change, an Organization can achieve its goals rapidly. The basic reasons for planned change are:

- To improve the means for satisfying economic needs of members
- To increase profitability
- To promote human work for human beings
- To contribute to individual satisfaction and social well-being.

In introducing planned change, the basic problem before management is to handle in such a way that there would be necessary adjustment in various forces. For this purpose, the manager who has to act as the change agent has to go through a particular process.

### **5.7.1 The planned change process may comprise basically the following three steps:**

- A. Planning for change
- B. Assessing change forces
- C. Implementing the change

#### **A. Planning for Change**

The first step in the process of change is to identify the next for change and the area of changes as to whether it is a strategic change, process oriented change or employee oriented change. This need for change can be identified either through internal factors or through external factors. Once this need is identified, the following general steps can be taken:

**Develop New Goals and Objectives:** The manager must identify as to what new outcomes they wish to achieve. This may be a modification of previous goals due to changed internal and external environment or it may be a new set of goals and objectives.

**Select an Agent of Change:** The next step is that the management must decide as to who will initiate and oversee this change. One of the existing managers may be assigned this duty or even sometimes specialists and consultants can be brought in from outside to suggest the various methods to bring in the change and monitor the change process.

**Diagnose the Problem:** The person who is appointed as the agent of change will then gather all relevant data regarding the area or the problem where the change is needed. This data should be critically analyzed to pinpoint the key issues. Then the solutions can be focused on those key issues.

**Select Methodology:** The next important step is selecting a methodology for change which would be commonly acceptable and correct. As the human tendency is to resist the change, employee's emotions must be taken into consideration when devising such methodology.

**Develop a Plan:** After devising the methodology, the next step will be to put together a plan as to what is to be done.

**Strategy for Implementation of the Plan:** In this stage, the management must decide on the 'when', 'where' and 'how' of the plan. This include the right time of putting the plan to work, how the plan will be communicated to the employees' in order to have the least resistance and how the implementation will be monitored.

## **B. Assessing Change Forces**

The planned change does not come automatically; rather there are many forces in individuals, groups and Organization which resist such change. The change process will never be successful unless the cooperation of employees is ensured. Therefore, the management will have to create an environment in which change will be amicably accepted by people. If the management can overcome the resistance the change process will succeed.

In a group process, there are always some forces who favor the change and some forces that are against the change. Thus, equilibrium is maintained. Kurt Lewin calls in the "field of forces". Lewin assumes that in every situation there are both driving and restraining forces which influence any change that may occur.

Driving Forces are those, forces, which affect a situation by pushing in a particular direction. These forces tend to initiate the change and keep it going. Restraining Forces act to restrain or decrease – the driving forces. Equilibrium is reached when the sum of the driving forces equals the 'sum of the restraining forces.

There may be three types of situations, as both driving and restraining forces are operating:



1. If the driving forces far out weight the restraining forces, management can push, driving forces and overpower restraining forces.
2. If restraining forces are stronger than driving forces, management either gives up the change program or it can pursue it by concentrating on driving forces and changing restraining forces into driving ones or immobilizing them.
3. If driving and restraining forces are fairly equal, management can push up driving forces and at the same time can convert or immobilize restraining forces.

### **C. Implementing Change**

Once the management is able to establish favorable conditions, the right timing and right channels of communication have been established the plan will be put into action. It may be in the form of simple announcement or it may require briefing sessions in house seminars so as to gain acceptance of all the members and specially those who are going to be directly affected by the change. After the plan has been implemented there should be evaluation of the plan which comprises of comparing actual results to the standards.

## **5.8 SELF CHECK QUESTIONS**

**5.8.1** Explain individual level change in organization

**5.8.2** Explain Group level change in organization.

## **5.9 MODELS OF CHANGE**

Organizations and their managers must recognize that change, in itself, is not necessarily a problem. The problem often lies in an inability to effectively manage change. Not only can the adapted process be wrong, but also the conceptual framework may lack vision and understanding. This happens because the managers are unable to appropriately develop and reinforce their role and purpose within the complex, challenging and dynamic Organizations. Change is now a way of life; Organizations and more importantly their managers, must recognize the need to adopt strategic approached when facing transformation situations. Some of this approaches that have been discussed below include:

- Systems model of Change
- Force Field Analysis

- Continuous Change Process Model
- Change and Transition Management
- Organizational Growth Model

### **5.9.1 Systems Model of Change**

Meeting the challenge posed by the Organization change often means not doing things piecemeal. To be successful, change usually must be Organization wide (Armenia's, et. al., 1999). From the perspective of managing change a system may be defined as being an organized assembly of components, which are related in such a way that the behavior of any one individual component will influence the overall status of the system. It is not possible to think of any physical mechanism or process that cannot be described in a systematic manner. All types of systems, physical or 'soft', must have a predetermined objective that the interrelated components strive to achieve.

The System Model of change describes the Organization as six interacting variables that could serve as the focus of planned change: people, culture, task, technology, design, and strategy. The people variable applies to individuals working for the Organization, including their individual differences – personalities, attitudes, perceptions, attributions, needs and motives. The culture variable reflects the shared beliefs, values, expectations, and norms of Organizational members. The task variable involves the nature of work itself – whether job is simple or complex, novel or repetitive, standardized or unique. The technology variable encompasses the problem solving methods and techniques used and the application of knowledge to various Organizational processes. It includes such things as the use of information technology, robots, and other automation, manufacturing process tools and techniques. The design variable is the formal Organizational structure and its system of communication, control, authority, and responsibility. Finally, the strategy variable comprises the Organizations planning process and includes decisions about how the Organization chooses to compete. It typically consists of activities undertaken to identify Organizational goals and prepare specific plans to acquire, allocate, and use resources in order to accomplish those.

### **5.9.2 Lewin's Force Field Analysis Model**

We have earlier discussed that the environment forces push companies to change the way they operate which is relatively easy to visualize. What is more difficult to see is the complex interplay of these forces against other Organizational dynamics. Psychologist Kurt Lewin developed the Force Field Analysis model to help us understand how the change process works. Although developed over 50 years ago, Lewin's Force Field Analysis model remains the prominent way of viewing this process.

One side of the Force Field Model represents the driving forces that push Organizations towards a new state of affairs. There are several driving forces in the environment like information technology, global and local competition and demographics. Along with these external forces are driving forces that seem to originate from within the Organization, such as competition across divisions of the company and the leaders need to impose his or her image on the Organization.

The reaction to change (driving or resisting) of employees will depend on the source of change and their position relative to it. When an individual or a group has initiated certain actions, which in turn have to be managed, then they are more likely to display positive attitudes towards the situation and view it as driving forces. When the feeling of ownership is combined with the knowledge that one controls, and has influence over the surrounding environment then the driving forces for the change will be significant. Externally generated change produces the greatest degree of negative feedback from those affected resulting in presence of restraining forces.

The Kurt Lewin change theory model is based around a 3-step process (Unfreeze-Change-Freeze) that provides a high-level approach to change. It gives a manager or other change agent a framework to implement a change effort, which is always very sensitive and must be made as seamless as possible.

The Kurt Lewin model can help a leader do the following three steps:

- Make a radical change
- Minimize the disruption of the structure's operations
- Make sure that the change is adopted permanently.

### **Kurt Lewin's Change Theory**

This three step model gives a manager or change agent an idea of what implementing change means when dealing with people. The three phases of the Kurt Lewin model provide guidance on how to go about getting people to change: a manager will implement new processes and reassign tasks, but change will only be effective if the people involved embrace it and help putting it into practice it.

### **Lewin's Change Model – Unfreeze – “ready to change”**

When a structure has been in place for a while, habits and routine have naturally settled in. The organization as a whole is going in the right direction, but – as shown on the illustration – people or processes may have strayed off course. For example, tasks that are not relevant or useful anymore are still being performed by force of habit, without anyone questioning their legitimacy. Similarly, people might have learned to do things one way, without considering other, more efficient methods. Unfreezing means getting people to gain perspective on their day-to-day activities, unlearn their bad habits, and open up to new ways of reaching their objectives. Basically, the current practices and processes have to be reassessed in order for the wheels of change to be set in motion.

### **Lewin's Change Model – Change – “implementation”**

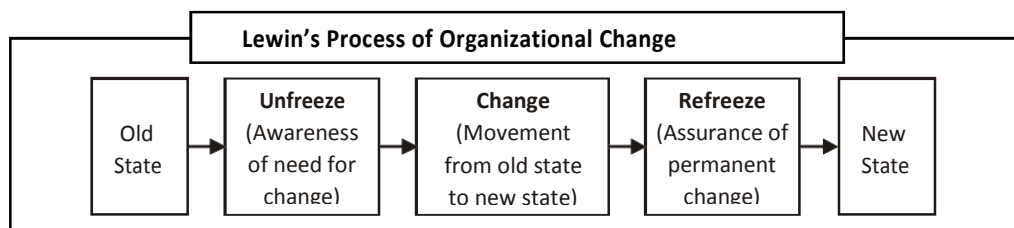
Once team members have opened up their minds, change can start. The change process can be a very dynamic one and, if it is to be effective, it will probably take some time and involve a transition period. In order to gain efficiency, people will have to take on new tasks and responsibilities, which entails a learning curve that will at first slow the organization down. A change process has to be viewed as an investment, both in terms of time and the allocation of resources: after the new organization and processes have been rolled out, a certain chaos might ensue, but that is the price to pay in order to attain enhanced effectiveness within the structure.

### **Lewin's Change Model – Freeze (sometimes called refreeze)- “making it stick”**

Change will only reach its full effect if it's made permanent. Once the organizational changes have been made and the structure has regained its effectiveness, every effort must be made to cement them and make sure the new organization becomes the standard. Further changes will be made down the line, but once the structure has found a way to improve the way it conducts

its operations, “re-freezing” will give the people the opportunity to thrive in the new organization and take full advantage of the change.

Kurt Lewin suggests that efforts to bring about planned change in Organization should approach change as a multistage process (Lewin, 1951). His model of planned change is made up of three steps – unfreezing, change, and refreezing.



**Unfreezing** is the process by which people become aware of the need for change. If people are satisfied with current practices and procedures, they may have little or no interest in making employees understand the importance of a change and how their jobs will be affected by it. The employees who will be most affected by the change must be made aware of why it is needed, which in effect makes them dissatisfied enough with current operations to be motivated to change.

**Change** itself is the movement from the old way of doing things to a new way. Change may entail installing new equipment, restructuring the Organization, implementing a new performance appraisal system - anything that alters existing relationships or activities.

**Refreezing** makes new behavior relatively permanent and resistant to further change.

### 5.9.3 The Continuous Change Process Model

This approach treats planned change from the perspective of top management and indicates that change is continuous. It is also important to note that as change becomes continuous in Organizations different steps are probably occurring simultaneously throughout the Organization. This model incorporates Lewin's concept into implementation phase.

In this approach, top management perceives that certain forces or trends call for change, and the issue is subjected to the Organization's usual problem solving and decision-making process. Usually, top management defines its goals in terms of what the Organization or

certain processes or outputs will be like after the change. Alternatives for change are generated and evaluated, and an acceptable one is selected.

Early in the process, the Organization may seek the assistance of a change agent – a person who will be responsible for managing the change effort. The change agent may also help management recognize and define the problem or the need for change agent may be involved in generating and evaluating potential plans of action. The change agent may be a member of the Organization, or an outsider such as a consultant, or even someone from headquarters whom employees view as an outsider. An internal change agent is likely to know the Organizations people, task, and political situation, which may be helpful in interpreting data and understanding the system; but an insider may also be too close to the situation to view it objectively. (In addition, a regular employee would have to be removed from his or her regular duties to concentrate on the transition). All parties because of his or her assumed impartiality, then, often receive an outsider, better. Under the direction and management of change agent, the Organization implements the change through Lewin’s unfreeze, change and refreeze process.

The final step is measurement, evaluation and control. The change agent and the top management group assess the degree to which the change is having the desired effect; that is, they measure progress towards the goals of change and make appropriate changes if necessary. The more closely the change agent is involved in the change process, the less distinct the step becomes. The change agent becomes a “collaborator” or “helper” to the Organization as she or he is immersed in defining and solving the problems with members of the Organization. When this happens, the change agent may be working with many individuals, groups, and departments within the Organization on different phases of the change process. When the change process is moving along from one stage to another it may not be readily observed because of the total involvement of the change agent in every phase of the project. Throughout the process, however, the change agent brings in new ideas and viewpoints that help members look at old problems in new ways. Change often arises from the conflict that results when the change agent challenges the organization’s assumptions and generally accepted patterns of operations.

Through the measurement, evaluation and control phase, top management determines the effectiveness of the change process by evaluating various indicators of Organizational

productivity and effectiveness on employee morale. It is hoped that Organization will be better after the change than before. However, the uncertainties and rapid change in all sections of environment make constant Organization change a certainty for most Organizations.

Transition Management is the process of systematically planning, organizing, and implementing change from the disassembly of the current state to the realization of a fully functional future state within an Organization (Ackerman, 1982). Once change begins, the Organization is in neither the old state nor the new state. Yet business must go on. Transition management ensures that business continues while the change is occurring, and thus it must begin before the change occurs. The members of the regular management team must take on the role of transition manager and coordinate Organizational activities with the change agent. An interim management structure or interim positions may be created to ensure continuity and control of the business during the transition. Communication about the changes to all involved, from employees to customers and suppliers play a key role in transition management (Tichy and Ulrich 1984).

#### **5.9.4 Change and Transition Management**

If the concept of change can be examined from an internal, external or proactive set of viewpoints, then the response of managers has to be equally as widespread. Buchanan & McCalman (1989) suggest that this requires a framework of 'perpetual transition management'. Following from Lawler's (1986) concept of the lack of a visionary end state, what appears to be required is the ability within managers to deal with constant change. This transition management model, although specifically related to large-scale Organizational change, has some interesting insights into what triggers change in Organization and how they respond. It suggests that four interlocking management processes must take place both to implement and sustain major Organizational changes. These processes operate at different levels, and may involve different actors in the Organizational hierarchy. The four layers are:

**Trigger Layer:** Concerning the identification of needs and openings for major change deliberately formulated in the form of opportunities rather than threats or crises.

**Vision Layer:** Establishing the future development of the Organization by articulating a vision and communicating this effectively in terms of where the Organization is heading.

**Conversion Longer:** Setting out to mobilize support in the Organization for the new vision as the most appropriate method for dealing with the triggers of change.

**Maintenance and Renewal Layer:** Identifying ways in which changes are sustained and enhanced through alterations in the attitude, values and behaviors, and regression back to tradition is avoided.

Transition management suggests that Organizations have to plan for, divert resources to, and implement four sets of interlocking processes. These are designed to implement, to sustain, and to build on change and its achievement in an attempt to address the issues associated with change over time. The argument here is that these layers – trigger, vision, conversion and maintenance and renewal – are necessary processes that occur in change management. The respective emphasis and priority attached to each of them will alter overtime, but recognition of their existence goes a long way in determining the management action needed.

The model of perceptual transition management starts out with a number of questions. How do we explain successful change? How do we explain changes in Organizations that were doomed from the start? How do we explain changes that are initially successful but wane or fizzle out halfway through? Effective large-scale changes demand a series of management actions linked to the four interlocking layers or processes.

In terms of trigger layer, it is necessary to understand what is causing a need for change in the Organization. These triggers need to be expressed in a clear way and communicated throughout the Organization.

### **5.9.5 Organizational Growth Model**

Our discussions in this unit have focused on changing or working on problems in Organization that are already established. How different are the issues in new or emerging Organization? A developmental theory developed by Larry E. Greiner (Greiner, 1972) is helpful in examining growing Organizations.

Greiner argues that growing Organizations move through five relatively calm periods of evolution, each of which ends with a period of crisis and revolution. According to Greiner, “each evolutionary period is characterized by the dominant management style used to achieve growth, while each revolutionary period is characterized by the dominant managerial problem that must be solved before growth will continue.”



The first stage of Organizational growth is called creativity. The founders of the Organization dominate this stage, and the emphasis is on creating both a product and a market. These “founder” are usually technically or entrepreneurially oriented, and they disdain management activities; their physical and mental energies are absorbed entirely in making and selling a new product.” But as the Organization grows, management problems occur that cannot be handled through informal communication and dedication. “Thus the founders find themselves burdened with unwanted management responsibilities ... and the conflicts between the harried leaders grow intense.”

It is at this point that the crisis of leadership occurs and the first revolutionary period begins. “Who is going to lead the Organization out of confusion and solve the management problems confronting the Organization?” The solution is to locate and install a strong manager, “who is acceptable to the founders and who can pull the Organization together. “This leads to the next evolutionary period – growth through direction.

During this phase the new manager and the key staff “take most of the responsibility for instituting direction, while lower level supervisors are treated more as functional specialist than autonomous decision-making managers”. As lower level managers demand more autonomy, this eventually leads to the next revolutionary period – the crisis of autonomy. The solution to this crisis is usually delegation.

When an Organization gets to the growth stage of delegation it usually begins to develop a decentralized Organization structure, which heightens motivation at the lower levels. Yet, eventually the next issue begins to evolve as top managers, “sense that they are losing control over a highly diversified field operation — freedom breeds a parochial attitude.”

The crisis of control often results in a return to centralization, which is now inappropriate and creates resentments and hostility among those who had been given freedom. A more effective solution tends to initiate the next evolutionary period – the coordination stage. This period is characterized by the use of formal systems for achieving greater coordination with top management as the “watch-dog” Yet most coordination systems eventually get carried away and result in the next revolutionary period – the crisis of red tape. This crisis often occurs when, “the Organization has become too large and complex to be managed through formal programs and rigid systems.”

It the crisis of red tape is to be overcome; the Organization must move to the next evolutionary period – to phase of collaboration. While the coordination phase was managed through formal systems and procedures, the collaboration phase “emphasizes greater spontaneity in management actions through teams and skillful confirmation of interpersonal difference. Social control and self-discipline takes over the formal control.”

## **5.10 PROCESS OF ORGANIZATIONAL DEVELOPMENT**

Organizational development process is based on the action research model which starts with identifying a problem or need for change. This process involves assessment, planning of an intervention, implementation of the intervention, and determining if satisfactory progress has been made or there is need for further intervention. It is a continuous and cyclical process and ends when the desired developmental results are attained.

### **5.10.1 The need for Organizational Development**

The Organizational Development Process helps an organization recognize that a problem exists which has an impact on the mission or health of the organization, thus making a change in work processes as desired. It can also begin when leaders have a vision of a better way and wants to improve the organization. An organization does not always have to be in trouble for it to implement organization development activities. It can do the same in order to restore or enhance competitive advantage, or even to cope up with the ever-changing working environment.

### **5.10.2 Steps in Organizational Development Process:**

- **Initial Diagnosis of the Problem:** In the first step, the management should try to find out an overall view of the situation to find the real problem and evaluate the degree of change needed to meet the requirements. Top management should meet management consultants and experts to determine the type of program that is needed. In the first stage only, the consultants will meet various persons in the Organization and interact with them to collect some information. These interactions can be supplemented by methods such as Interviews, questionnaires and even observation of the work processes by the experts.

- **Data Collection:** In this stage, the consultant will make the surveys through various methods to determine the climate of the Organization and the behavioral problems of the employees. A critical assessment of the internal controls of the Organization is also carried out by the consultant. The consultant will meet groups of people away from their work environment to get some answers to questions such as:

What specific job environment contributes most to their job effectiveness?

What kind of work conditions interferes with their job effectiveness?

What changes would they like to make in the working process of the Organization?
- **Data Feedback and Confrontation:** The data which has been collected in the second step of Organizational Development Process will be given to the work groups, who will be assigned the job of reviewing the data. Any areas of disagreement or conflicts will be mediated among themselves only and priorities will be established for change.
- **Planning Strategy for Change:** In this stage, the consultant will recommend the strategy for change. The attempt will be to transform diagnosis of the problem into a proper action plan involving the overall goals for change, determination of basic approach for achieving these goals and the sequence of detailed steps for implementing the approach.
- **Intervening in the System:** Intervening in the system refers to the planned programmed activities during an Organizational Development Process. These planned activities bring certain changes in the system, which is the basic objective of Organizational Development Process. There may be various ways through which external consultant intervene in the system such as education and laboratory training, process consultation, team development etc.
- **Team Building:** During the entire Organizational Development Process, the consultant encourages the groups to examine how they work together. The consultant will educate them about the value of free communication and trust as essentials, for group functioning as well as problem solving methodology. The consultant can have team managers and their subordinates to work together as a team in Organizational Development sessions to further encourage team building. Following the development of small groups, there may be development among larger groups comprising several teams with diverse work profiles.

- **Evaluation:** Organizational Development is a very long process. So, there is a great need for careful monitoring to get precise feedback regarding what is going on after the program starts. This will help in making suitable adjustments whenever necessary. For evaluation of Organizational Development program, the use of critique sessions, appraisal of change efforts and comparison of pre and post training behavioral patterns are quite effective.

## **5.11 SELF CHECK QUESTIONS**

**5.11.1** What is planned change?

**5.11.2** Name the models of change.

**5.11.3** What is the need of Organizational Development?

## **5.12 SUMMARY**

The steps in Organizational Development are part of a whole process, so all of them need to be applied if a firm expects to get the full benefits of Organization Development. An Organization which applies only a few steps and then leaves halfway will be disappointed with the results. A properly designed Organizational Development Process can help an Organization prosper and grow even in today's competitive business conditions. Not only does the Organizational Development Process enhance the workflow and the efficiency of the employees, but more importantly it helps dwell a good Organizational culture that enables the Organization to grow and compete in the long-term as well.

## **5.13 ANSWERS TO SELF CHECK QUESTIONS**

**5.5.1** “when an Organizational system is disturbed by some internal or external force, change occurs frequently. Change, as a process, is simply modification of the structure or process of a system. It may be good or bad, the concept is descriptive only.”

**5.5.2** External environment affects the Organizations both directly and indirectly. The Organizations do not have any control over the variables in such an environment. Accordingly, the Organization cannot change the environment but must change themselves to align with the environment.

**5.8.1** Individual level changes may take place due to changes in job-assignment, transfer of an employee to a different location or the changes in the maturity level of a person which occurs over a passage of time.

**5.8.2** Management must consider group factors while implementing, any change, because most of the Organizational changes have their major effects at the group level. The groups in the Organization can be formal groups or informal groups.

**5.11.1** A planned change is a change planned by the Organization; it does not happen by itself. It is affected by the Organization with the purpose of achieving something that might difficulty. Through planned change, an Organization can achieve its goals rapidly.

5.11.2 The models of change are as follows:

- Systems model of Change
- Force Field Analysis
- Continuous Change Process Model
- Change and Transition Management
- Organizational Growth Model

5.11.3 The Organizational Development Process helps an organization recognize that a problem exists which has an impact on the mission or health of the organization, thus making a change in work processes as desired.

## **5.14 REVIEW QUESTIONS**

### **Short Questions**

1. Discuss the meaning and characteristics of Change.
2. What are the different models for Organizational change?

### **Long Questions**

1. Discuss in detail the factors responsible for Change.
2. Write in details the process and steps to be followed for organizational change.
3. Discuss the different levels of change.

## **5.15 SUGGESTED READINGS**

Robbins SP, 2019. Organizational Behavior, Prentice Hall, Englewood Cliffs.

Rothwell, W. J. Career planning and succession management: Developing your organization's talent-for today and tomorrow. Greenwood Publishing Group.

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Organizational Development - Designing Episodic Interventions, By Jan Achterbergh, Dirk Vriens, 1st Edition, First Published 2019, London, Routledge.

Organizational Behavior: An Introduction to Your Life in Organizations, 6/e, Rae Andre, Pearson 2019.

**MBA DE ORGANIZATIONAL BEHAVIOUR AND DEVELOPMENT**  
**LESSON: 6 ISSUES IN CONSULTANT-CLIENT RELATIONSHIPS**

**AUTHOR: RATNESH PAL SINGH\***

**STRUCTURE OF THE LESSON:**

6.0 OBJECTIVES

6.1 INTRODUCTION

6.2 AREAS OF ISSUES IN CONSULTANT – CLIENT RELATIONSHIP

6.3 SELF CHECK QUESTIONS

6.4 ENTRY AND CONTRACTING

6.5 DEFINING THE CLIENT SYSTEM

6.6 TRUST

6.7 THE NATURE OF THE CONSULTANT'S EXPERTISE

6.8 DIAGNOSIS AND APPROPRIATE INTERVENTIONS

6.9 THE DEPTH OF INTERVENTIONS

6.10 ON BEING ABSORBED BY THE CULTURE

6.11 THE CONSULTANT AS A MODEL

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6.13 SELF CHECK QUESTIONS

6.14 ACTION RESEARCH AND THE OD PROCESS

6.15 CLIENT DEPENDENCY AND TERMINATING THE RELATIONSHIP

6.16 ETHICAL STANDARDS IN OD

6.17 IMPLICATIONS OF OD FOR THE CLIENT

6.18 SUMMARY

6.19 SELF CHECK QUESTIONS

6.20 ANSWERS TO SELF CHECK QUESTIONS

6.21 REVIEW QUESTIONS

6.22 SUGGESTED READINGS

## **6.0 OBJECTIVES**

After going through this lesson you will be able to illustrate issues in consultant-client relationship in OD activities also will be able to give details to handle these issues suitably if advance effects are to be avoided. Abundant issues regarding the client-consultant relationship need to be addressed and managed in a successful OD effort. These issues are discussed ahead.

### **6.1 INTRODUCTION**

A number of interconnected issues can occur in consultant-client relationship. They need to be managed suitably if unpleasant effects are to be avoided. The first thing which we should make clear about who are clients and consultants?

Client: A person or organization using the services of a lawyer or other professional person or company.

Consultant: A person who provides expert advice professionally in a specific field and has wide knowledge of the subject matter. They are mainly of two types

- Internal consultant: Someone from within the organization with having experience in specific areas.
- External consultant: Someone from outside the organization. It can be an organization and also can be a single person.

### **6.2 AREAS OF ISSUES IN CONSULTANT – CLIENT RELATIONSHIP**

1. Entry and contracting
2. Defining the client system
3. Trust
4. The nature of the consultant's expertise
5. Diagnosis and appropriate interventions
6. The depth of interventions
7. On being absorbed by the culture
8. The consultant as a model
9. The consultant team as a microcosm

- 10. Action research and the OD process
- 11. Client dependency and terminating the relationship
- 12. Ethical standards in OD
- 13. Implications of OD for the client

### **6.3 SELF CHECK QUESTIONS**

- 6.3.1 Who is client?
- 6.3.2 Who is Consultant?
- 6.3.3 Name some areas of issues in consultant – client relationship?

### **6.4 Entry and contracting:**

Entry & Contracting O.D. consulting Contract can take place in a variety of ways. It can all the way through telephone call or through face to face meetings. The potential client may present the difficulty and the consultant tries to fix the problem.

- The consultants & clients begin to sought out what group should do to in order to start a logical OD intervention. For example, the group can be top management only, group of some people in management or any particular department.
- When both the parties agree, this becomes the overall psychological contract.
- Formal payment aspects of the initial contract are also vital and need to be clarify for the harmony of both client and consultant.
- Thereafter the bill might be sent for time spent, or a bill might be submitted for the total settled upon price for the particular project.

### **6.5 Defining the client system:**

It becomes important to know that who will be the client. It can be done by following ways:

- Preliminary the client may be a person or a management team.
- We think a practicable model, is one in which, in the initial contact, a lone manager is the client, but as trust and confidence build up among the key client and the consultant, both begin to view the manager and his or her subordinate team as the client, and then the manager's total organization as the client.

### **6.6 Trust:**



- A high-quality deal of the communication in early interactions between client and consultant is wholly related to developing a relationship of mutual trust means Client's confidence on the consultant.
- Key clients may be scared that-
  - Things will get out of hands with an outsider intervening in the system.
  - Organization will be overwhelmed with trivial complaints.
  - People will be encouraged to criticize their superiors.
- Consultant's trust of the client starts with
  - Understanding of client's motive.
  - Trust and resistance problem also centers on good-guy bad-guy syndrome.
- Subordinates may be concerned that they will be manipulated toward their superior's goals with little attention given to their own.
- These kinds of concerns mean that the consultant will need to earn trust in these and other areas.
- Confidentiality must be maintained

### **6.7 The nature of the consultant's expertise:**

- It is promising and desirable for the OD consultant to be an expert in the sense of being knowledgeable to present a variety of options to the client.
- The OD consultant needs to resist the excitement of playing the content expert and will need to elucidate his or her role with the client when it becomes an issue.
- aim of the OD specialist is to help the client to develop its own resources.
- OD consultant should be prepared to describe in broad outline what the organization might look if it were to go very far with an OD effort.

### **6.8 Diagnosis and appropriate interventions:**

- A consultant should perform what he or she can do, but the intervention should be suitable to the diagnosis, which requires an concentrated look at the data, for example, the themes from interviews. The wider the choice of interventions with which the consultant is familiar, of course, the more options the consultant can consider.

- The more the consultant's know-how and experience, then reduced amount of worrying is likely to be required in selecting or designing appropriate interventions.

### **6.9 The depth of interventions:**

- A most important feature of selecting suitable interventions is the matter of *depth of intervention*. In Roger Harrison's terms, depth of intervention can be assessed using the concepts of accessibility and individuality.
- By *accessibility* Harrison means the degree to which the data are more or less public versus being hidden or private and the ease with which the intervention skills can be learned.
- *Individuality* means the closeness to the person's perceptions of self and the degree to which the effects of an intervention are in the individual in contrast to the organization.
- The consultant's awareness of his or her own capabilities and limitations, of course, is extremely important.

### **6.10 On being absorbed by the culture:**

When a consultant is being in to the system, he must keep in mind the following points:

- Avoid the trap of seeping into organizational culture.
- They must focus on their work and should avoid interfering in the internal matters of the organization. He /She can give their opinions on being asked.
- Internal change agents more inclined to absorption by the existing organization culture than the external change agents.

### **6.11 The consultant as a model:**

- The consultant's words and evident feelings need to be matched. The consultant also needs to make sure on meanings, to suggest optional methods of solving problems, to give confidence and support, to give feedback in productive ways and to admit feedback, to help invent issues, and to present a spirit of inquiry.
- To make best use of one's effectiveness, one must continuously practice and develop the efficient behaviours one needs to implant in the client system.

### **6.12 The consultant team as a microcosm:**

- A **microcosm** is a tiny society, place, or activity which has all the representative features of a much larger one and so seems like a smaller version of it.
- The consultant- key client viewed as a team, or consultants working as a team, can profitably be viewed as a microcosm of the organization they are trying to create.
- In the first place, the consultant team must set an illustration of an efficient unit if the team is to develop its credibility.
- Second, practitioners need the efficiency that comes from unremitting growth and renewal processes.
- And third, the quality of the interrelationships within the consulting team carries over directly into the quality of their diagnosis, their intervention designs, and their interventions.

### **6.13 SELF CHECK QUESTIONS**

6.13.1 What is entry and contracting in consultant client relationships?

6.13.2 Explain the depth of interventions?

### **6.14 Action research and the OD process:**

- To make the OD process and interventions more effective the feedback loops must be designed which can provide timely data on the effectiveness of OD process.
- Feedback loops should not be complicated. We can ask simple questions or interviews can be helpful.
- Collecting feedback is very important. It helps in altering / improving the OD activities and also helps to improve the understanding between the consultant & client.

### **6.15 Client dependency and terminating the relationship:**

- The termination of relationship is in a straight line proportional to the dependence relationship between client and consultant.
- The more dependent the client is on the consultant the more complicated it is to terminate the relationship.
- If the consultant is in the business of assisting client to internalize skills and insights –then it is making client less dependent on it and in such case terminating the relationship is not an issue.
- Thus the consultant's role as a facilitator creates a lesser amount of dependency and more client growth.
- Consultants role as a part educator-

- This involves consultants' intervention on continuing basis. It requires open communication with client about objective of interventions and about series of planned event.
- Relationship between client and consultant depends on:
  - Consultant competence: the longer the consultants are able to provide innovative and productive intervention the longer the relationship will be.
  - Clients resourcefulness and capabilities in OD.
  - Organizational factors like: Internal power, struggle Crisis, Top management support.

#### **6.16 Ethical standards in OD:**

Louis White & Kevin Wooten see five categories of ethical dilemmas in OD practice stemming from either the client or consultant actions or both. These are:

1. Misrepresentation & collusion.
  2. Misuse of data.
  3. Manipulation and coercion.
  4. Value & goal conflicts.
  5. Technical ineptness.
- Values lying ethical OD practice:
1. Honesty.
  2. Openness.
  3. Voluntarism.
  4. Integrity.
  5. Confidentiality.
  6. The development of people.
  7. The development of consultant expertise.
  8. High standards & self-awareness.

#### **6.17 Implications of OD for the client:**

The OD interventions are a conscious effort on the part of top management. These implications need to be shared and understood at the outset.

- To enlarge the database for making management decisions.
- To expand the influence process.
- To capitalize the strengths of formal system.

- To become more responsive.
- To legitimize conflicts.
- To examine its own leadership style.
- To encourage collaborative management

## 6.18 Summary

Frequent issues have to do with establishing the preliminary contract, identify who is the client, establishing trust, expounding the role of the consultant determining the proper depth of intervention, investigative the consequent, is of being absorbed by, the organization's Issues such as viewing the consultant and consulting teams as models, applying actionculture. These issue important implications for practitioners, top management, and the organization research to OD, terminating the relationship, and ethical standards.

## 6.19 SELF CHECK QUESTIONS

**6.19.1** Name some Ethical standards in OD.

## 6.20 ANSWERS TO SELF CHECK QUESTIONS

**6.3.1** A person or organization using the services of a lawyer or other professional person or company.

**6.3.2** A person who provides expert advice professionally in a specific field and has wide knowledge of the subject matter.

**6.3.3** some areas of issues in consultant – client relationships:

1. Entry and contracting
2. Defining the client system
3. Trust
4. The nature of the consultant's expertise etc.

**6.13.1** Entry & Contracting O.D. consulting Contract can take place in a variety of ways. It can all the way through telephone call or through face to face meetings. The potential client may present the difficulty and the consultant tries to fix the problem.

**6.13.2** A most important feature of selecting suitable interventions is the matter of *depth of intervention*. In Roger Harrison's terms, depth of intervention can be assessed using the concepts of accessibility and individuality.

- 6.19.1 Values lying ethical OD practice:
  1. Honesty.
  2. Openness.
  3. Voluntarism.
  4. Integrity.

5. Confidentiality.
6. The development of people.
7. The development of consultant expertise.
8. High standards & self-awareness.

## **6.21 REVIEW QUESTIONS**

### **Short Questions**

1. Discuss the role of consultant as a model.

### **Long Questions**

1. Explain the various Ethical Standards in OD.
2. Explain how to terminate the relationship with client's organization?

## **6.22 SUGGESTED READINGS**

- Edgar H. Schein, Process Consultation, Vol. I: Its Role in Organization Development, 2d ed. (Reading, MA: Addison-Wesley Publishing Company,), pp. 5-11.
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**MBA DE ORGANISATIONAL DEVELOPMENT AND CHANGE**

**LESSON 7 ORGANIZATIONAL DEVELOPMENT INTERVENTIONS**

**Author: - Dr. Sourav Sharma**

**STRUCTURE OF THE LESSON:**

7.0 OBJECTIVES:

7.1 INTRODUCTION AND DEFINITION TO ORGANIZATIONAL DEVELOPMENT INTERVENTIONS

7.1.1 History of Major OD Interventions

7.2 CLASSIFICATIONS OF INTERVENTIONS

7.2.1. Selection of OD Interventions

7.2.2. Approaches

7.3 SELF CHECK QUESTIONS

7.4 HUMAN RESOURCE INTERVENTIONS

7.5 TEAM INTERVENTIONS

7.5.1 Techniques and Exercises used in Team Building

7.6 SELF CHECK QUESTIONS

7.7 HUMAN PROCESS INTERVENTIONS

7.8 TECHNO STRUCTURAL INTERVENTIONS

7.8.1 RULES FOR IMPLEMENTATION

7.9 INTER GROUP INTERVENTIONS

7.10 THIRD PARTY PEACEMAKING INTERVENTIONS

7.11 SELF CHECK QUESTIONS

7.12 SUMMARY

7.13 ANSWERS TO SELF CHECK QUESTIONS

7.14 REVIEW QUESTIONS

7.15 SUGGESTED READINGS

**7.0 OBJECTIVES:** After going through this lesson, you will be able to understand about the Organizational Development Interventions, the different types of Organizational Development Interventions and the process to select Organizational Development Interventions. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the major rules to implement Interventions, different strategies to develop Interventions and the application of different types of Interventions.

### **7.1 INTRODUCTION AND DEFINITION TO ORGANIZATIONAL DEVELOPMENT INTERVENTIONS**

**OD interventions** are the building blocks which are the planned activities considered to improve the Organization's execution through the participation of the Organizational members in the Organizations. It includes team development, laboratory training, managerial grid training, brainstorming and intergroup team building in the organization. All the intervention should take place at all the levels, namely, individual, group and Organization. OD interventions refer to various activities which a consultant and client Organization perform for improving Organizational performance through enabling Organizational members better handle their behavior, their work group, and Organizational culture. It also referred as OD techniques or OD strategies as they are designed to carry out specific objectives of the Organization. French and Bell have defined OD interventions as: Sets of structured activities in which selected Organizational units (target groups or individuals) engage with a task or a sequence of tasks where the task goals are related directly or indirectly to Organizational improvement. Interventions constitute the action thrust of Organization development: they make things happen. An intervention is a purposeful process by which change is introduced into peoples' thoughts, feelings and behaviors. The overall idea of any intervention is to confront individuals, teams or units of people in a non-threatening way and allow them to see their self-destructive behavior and how it affects themselves and colleagues. It might involve several people who have prepared themselves to talk to the target group that has been engaging in some sort of self-destructive behavior. In a clear and respectful way, they inform the persons of factual information regarding



their behavior and how it may have affected them. The immediate objective of an intervention is for the target to listen and to accept help the people working in the Organization.

Organization Development (OD) intervention would be a mixture of the ways a manager can influence the productivity of his/her team by understanding how managerial style impacts Organizational climate and more prominently how to create an environment of high performance. Most of the interventions are plans or programs comprised of specific activities designed to effect change in some facet of an Organization. Various interventions have been developed over the years to address different problems or create various results. However, they all are geared toward the goal of improving the entire Organization through change in general, Organizations that wish to achieve a high degree of Organizational change will employ a full range of interventions, including those designed to transfer individual and group behavior and attitudes. Entities attempting smaller changes will stop short of those goals, applying interventions targeted primarily toward operating policies, management structures, worker skills, and personnel policies.

Interventions can be categorized in a number of ways, including action, the type of group for which they are intended, or the industry to which they apply. W.L. French identified major families of interventions based on the type of activities that they included, such as activity groups include team-building, survey feedback, structural change, and career-planning.

### **7.1.1 History of Major OD Interventions:**

OD interventions aim at improving organizational performance and employees' well-being. According to Robbins (1994), OD integrates a collection of planned change interventions that relies on humanistic and democratic values, aimed at improving organizational effectiveness, and employees' well-being. OD interventions rely on the following values: respect for people, trust and support, power equalization, confrontation and participation. Kormanik (2005) proposes a classification of OD interventions in 6 groups: large scale, strategic, techno structural, management and leadership development, team development and group processes, and individual and interpersonal processes.

Large-scale Interventions Large scale interventions typically involve a full-size group of stakeholders, working toward the definition of a future state. These interventions start from top levels of the organization, to analyze, plan, and define the intervention's outcomes, then, people

are involved in the solution, creating with this a shared commitment, and a “contagious of effect” effort, which will support the implementation of defined actions in the long term. Some examples include the following: appreciative inquiry summit, future search, open space and real time strategic change. Large scale interventions are highly structured; each activity is carefully planned beforehand – this is particularly important since the whole system participates simultaneously, in the same room, at Notes the same time. Cummings and Worley (2001) describe the three step process involved in any large scale intervention:

- (1) The preparation of the large group meeting.
- (2) Conducting the meeting.
- (3) Following on meeting outcomes.

Large-scale interventions are quicker, build organizational confidence, give immediate and broad based information, promote a total organization mindset, inspire action, and sustained commitment.

## 7.2 CLASSIFICATIONS OF INTERVENTIONS

1. **Diagnostic Activities:** it is a fact-finding activities designed to ascertain the state of the system or the status of problem.
2. **Team Building Activities:** Such activities are designed to enhance the effective operation of system teams. These can focus on task-related issues such as the way things are done, necessary skills and resources, relationship quality between team members and between team and leader, and effectiveness. In addition, structural issues must be addressed (the nature of the team). “Outdoor Adventure” teambuilding programs are currently very popular.
3. **Intergroup Activities:** Such activities are designed to improve the effectiveness of interdependent groups, i.e. those that must cooperate to produce a common output. These focus on joint activities and the output of the groups as a single system rather than 2 subsystems.
4. **Survey Feedback Activities:** These are the activities that focus on the use of questionnaires to generate information which is then used to identify problems and opportunities.

5. **Education and Training Activities:** These activities are designed to improve skills, abilities and knowledge. Several activities and approaches are possible, depending on the nature of the need
6. **Techno structural or Structural Activities** are designed to improve organizational structures and job designs. Activities could include either:
  - a) Experimenting with new organizational structures and evaluating their effectiveness
  - b) Devising new ways to bring technical resources to bear on problems
7. **Process Consultation Activities** are activities that help the client “Perceive, Understand and act upon process events which occur in the client’s environment”. The client gained insight into the human processes in organizations and learns skills in diagnosing and managing them. Emphasis on communication, leader and member roles in groups, problem solving and decision making, group norms, leadership and authority and intergroup cooperation and competition.
8. **Third -Party Peacemaking Activities:** These are the intervention by a skilled third party aimed at helping 2 organizational members manage their interpersonal conflict. Based on confrontation and an understanding of conflict and conflict resolution processes.
9. **Strategic Management Activities:** It helps key policy-makers reflect on the organization’s basic mission and goals, environmental demands, threats and opportunities, engaging in long-range planning of both a reactive and a proactive nature. Attention is focused outside of the org. and to the future.
10. **Sensitivity Training:** Sensitivity Training is a form of training that claims to make people more aware of their own prejudices, and more sensitive to others. According to its critics, it involves the use of psychological techniques with groups that their critic claims are often identical to brainwashing tactics. Critics believe these techniques are unethical.
11. **Organizational Transformation Activities:** These activities focus on large

scale system changes that will fundamentally transform the nature of the organization. Virtually every aspect of the org. is changed: structure, management philosophy, reward systems, work design, mission, values and culture.

12. **Force-field Analysis:** Force field analysis is an influential development in the field of social science. It provides a framework for looking at the factors (forces) that influence a situation, originally social situations. It looks at forces that are either driving movement toward a goal (helping forces) or blocking movement toward a goal (hindering forces). The principle, developed by Kurt Lewin, is a significant contribution to the fields of social science, psychology, social psychology, organizational development, process management, and change management.

### 7.2.1. Selection of OD Interventions

#### (I) Factors relating to Change Situation:

- I) These relate to the environment of the Organization and include the physical and human environment.

II) **Readiness for Change:** Intervention success depends heavily on the Organization being ready for planned change.

- III) **Capability to Change:** Managing planned change requires particular knowledge and skills including the ability to motivate change, to lead change, to develop political support, to manage transition, and to sustain momentum.

- IV) **Cultural Context:** The national culture within which an organization's embedded can exert a powerful influence on members' reactions to change, and so intervention design must account for the cultural values and assumptions held by Organization members.

- V) **Capabilities of the Change Agent (OD Consultant):** The success of OD interventions depend to a great extent on the expertise, experience and talents of the consultant

## (II) Factors Related to the Target of Change

These relate to the specific targets at which OD interventions are targeted.

- VI) **Strategic Issues:** Strategic issues refer to major decisions of Organizations such as what products or services to offer, which markets to serve, mergers, acquisitions, expansions etc.
- VII) **Technology and Structure Issues:** These refer to issues relating to how Organizations divide their work amongst departments and how they coordinate between departments.
- VIII) **Human Resource Issues:** These issues are concerned with attracting competent people to the Organization, setting goals for them, appraising and rewarding their performance, and ensuring that they develop their careers and manage stress.
- IX) **Human Process Issues:** These issues have to do with social processes occurring among Organization members, such as communication, decision-making, leadership, and group dynamics.

### 7.2.2. Approaches

- ✓ Techno structural Approach
- ✓ Human Processual Approach
- ✓

#### **Techno structural Approach**

It relates to theories of interventions into the technology (e.g. task method and processes) and the structure (e.g., the relationships, roles, arrangements etc.) of the Organization. Techno-structural approaches are rooted in the fields of engineering, sociology, psychology, economics and open system theory. Interventions in these areas are intended to effect the work content and method and to effect the sets of relationships among employees. The broad heading of techno-structural development includes: socio-technical system perspectives, job design, job enlargement and job enrichment.

Socio-technical systems and job design in part, owe their emergence to two earlier and still current perspective to changes. Opponents of socio-technical systems criticize the physical

approach for testing social groups and individuals mechanistically and criticize the physiological approach for ignoring the technology of the organization.

## 7.3 SELF CHECK QUESTIONS

7.3.1 what do you mean by OD interventions?

7.3.2 Explain team building activities?

## 7.4 HUMAN RESOURCE INTERVENTIONS

Human Process or behavioral intervention focuses on the human participants and the organizational processes (e.g.; communication, problem solving, decision making etc.) through which they accomplish their goal as well as the Organizations goals. This orientation to OD is rooted in the academic fields of psychology, social psychology and anthropology, and in the applied disciplines of group dynamics and human relations.

Human process orientation tend to value human fulfilment and expect improved Organizational performance. Some of these are vertical dimensions of a hierarchy. It continues to grow along with the belief that the technology of the behavioral sciences can be applied to help to cope with a society in which change, and also maximum utilization of human resources, are desirable.

## 7.5 TEAM INTERVENTIONS

The OD team interventions involve working with the cross-functional self-managed and high performance team. We will briefly define them as follows:

**Cross-Functional Teams** Cross-functional teams are typically comprised of individuals who have a functional home base, for example, manufacturing, designing, marketing. HR and who meet regularly to solve ongoing challenges requiring input from a number of functional areas such teams might be temporary or permanent. Cross-functional teams are widely used in the Organizations, and OD approaches have great utility in the formation and functioning of these teams. Large companies such as Motorola, Ford, 3M, and General Electric as well as many small and medium Organizations have them.

- The OD team interventions involve working with the cross-functional self-managed and high performance team. We will briefly define them as follows:
- **Cross-Functional Teams:** Cross-functional teams are typically comprised of individuals who have a functional home base, for example, manufacturing, designing, marketing.HR and who meet regularly to solve ongoing

challenges.

- **High Performance Teams:** High performance teams reflect strong extension of the basic characteristics of the teams: with deeper sense of purpose, more ambitious performance goals, more complete approaches and interchangeable as well as complementary skills.

A Gestalt Approach to Team Building

- A team building that focuses more on the individuals than the groups is the gestalt approach to OD.

### 7.5.1 Techniques and Exercises used in Team Building:

- **Role Analysis Technique (RAT):** It is designed to clarify role expectation and obligations of team members to improve team effectiveness.
- **Interdependency Exercise:** It is a useful intervention if the team members have a desire to improve cooperation among themselves and among their units.
- **A Role Negotiation Technique:** Role negotiation intervenes directly in the relationship of power, authority and influence within the group. The change effort is directed at the work relationships among members for one another and their personal feelings about one another.
- **Responsibility Charting:** This technique called responsibility charting helps to clarify who is responsible for what on various decisions and action.
- **Visioning:** It the term used for an intervention in which group members in one or more Organizational groups develop and describe their vision of what they want they want the Organization to be like in the future. This concept was given by Ronald Lippitt.
- **Force Field Analysis:** This is probably the oldest interventions in the OD practitioner's kit bag. It is a device for understanding a problematic situation and planning corrective actions. This technique is excellent for diagnosing change situations.





## **7.6 SELF CHECK QUESTIONS**

**7.6.1** Explain sensitivity training

**7.6.2** Explain human resource issues in OD interventions?

## **7.7 HUMAN PROCESS INTERVENTIONS:**

Human process intervention is a process that focus on employees to understanding the own behavior and others behavior for the purpose of improving the benefits through problem solving, decision making to accomplish the organizational goals within an organization. It includes:

- Process consultation and team building
- Third-party interventions (conflict resolution)
- Organization confrontation meeting
- Intergroup relationships
- Large-group interventions

## **7.8 TECHNO STRUCTURAL INTERVENTIONS**

Techno structural interventions focus on improving the organizational effectiveness and human development by focusing on technology and structure. These interventions are rooted in the fields of engineering, sociology, and psychology, combined with socio-technical systems and job analysis and design. These types of interventions rely on a deficit based approach; the idea is to find problems to solve. According to Cummings and Worley (2001) techno structural approaches focus on improving an organization's technology (for example, task methods and job design) and structure (for example division of labor and hierarchy)" (p. 104). Koranic (2005) includes as techno structural interventions the following: organizational structure, organization systems, business process redesign, space and physical settings, socio-technical systems, change management, job design/enrichment, competency-based management, knowledge management and organizational learning Technical interventions are those change programs focusing on the technology of the organization. It includes:

- Structural design--
- Downsizing
- Reengineering
- Parallel structures
- High involvement organizations
- Top quality management
- Work design

### **7.8.1 Rules for Implementation**

- Maximize diagnostic data: In general, interventions will provide data needed to make subsequent intervention decisions should come first.
- Maximize effectiveness: Interventions should be sequenced so that early Intervention enhances the effectiveness of subsequent interventions.
- Maximize efficiency: Interventions should be sequenced to conserve Organization resources such as time, energy and money.
- Maximize speed: Interventions should be sequenced to maximize the speed which ultimate Organizational improvement is attained.
- Maximize relevance: Interventions that management sees as most relevant to indicate problems should come first.
- Minimize Psychological and Organizational strain: A sequence of intervention should be chosen that is least likely to create dysfunctional effects such as and insecurity, distrust, psychological damage to people, and anticipated and unwanted effects on Organizational performance.

### **7.9 INTER GROUP INTERVENTIONS**

The focus of this teambuilding group of OD interventions is on improving intergroup relations. The goals of these activities are to increase communications and interactions between works related groups to reduce the amount of dysfunctional competition. Organization development methods provide ways of increasing intergroup cooperation and communication.

Set of activities developed by

Blake, Shepard and Mouton

Step 1: The process is to obtain commitment from the leaders of each group on their willingness to find procedures that will improve inter group relations.

Step 2: Groups are put in different rooms. The task of each group is to generate two lists. They should put down thoughts, attitudes, perceptions and feelings about the other group, predict what the other group will say about them.

Step 3: The groups come together and share their lists.

No comments or discussions, only clarity.

Step 4: The groups reconvene to discuss their reactions to what they have learned about themselves from what the other group has said identify issues that still need to be resolved between the two groups.

Step 5: The two groups come together and share their lists, they set priorities, and they generate action steps and assign responsibilities.

Step 6: A follow up meeting is convened to ensure that the action steps have been taken.

### **7.10 THIRD PARTY PEACEMAKING INTERVENTIONS**

- Walton's Approach to Third Party Peace making
- War of words will be there between the two principles, the fact that conflict exists and that it has consequences for the effectiveness of the two parties involved.

He proposed a diagnostic model of interpersonal conflict based on four basic elements:

- The conflict issue.
- The precipitating circumstances.
- The conflict relevant acts of the principals.
- The consequences of the conflicts
- Points given by Walton for productive confrontation
- Mutual positive motivation, which refers to the willingness on both parties resolve the conflict.
- Balance of power without any power differentials between the parties involved in a confrontation.
- Synchronization of confrontation efforts wherein the two parties address the conflict simultaneously.
- Differentiation and integration of different phases of the intervention must be well paced. The intervention involves working through negative feelings and ambivalent positive feeling. The intervention must allow sufficient time for this process to take place.
- Conditions that promote openness should be created.
- Reliable communicative signal refers to using language that is understood by the parties involved in the confrontation.

Optimum tension in the situation means that the stress experienced by both parties ought to be sufficient to motivate them but not too excessive.

### **7.11 SELF CHECK QUESTIONS**

7.11.1 Where is techno-structural approach mostly used in?

7.11.2 Explain RAT technique of team building?

**7.12 SUMMARY:** - Intervention is set of structured activities in which selected organizational units engage in a series of tasks which will lead to organizational improvement. The intervention is the procedure the OD Consultant uses after diagnosing an organization problem. OD interventions refer to various activities which a consultant and client Organization perform for improving Organizational performance through enabling Organizational members better handle their behavior, their work group, and Organizational culture.

### **7.13 ANSWERS TO SELF CHECK QUESTIONS**

**7.3.1 OD interventions** are the building blocks which are the planned activities considered to improve the Organization's execution through the participation of the Organizational members in the Organizations. It includes team development, laboratory training, managerial grid training, brainstorming and intergroup team building in the organization.

**7.3.2** Such activities are designed to enhance the effective operation of system teams. These can focus on task-related issues such as the way things are done, necessary skills and resources, relationship quality between team members and between team and leader, and effectiveness. In addition, structural issues must be addressed (the nature of the team). "Outdoor Adventure" teambuilding programs are currently very popular.

**7.6.1** Sensitivity Training is a form of training that claims to make people more aware of their own prejudices, and more sensitive to others. According to its critics, it involves the use of psychological techniques with groups that their critic claims are often identical to brainwashing tactics. Critics believe these techniques are unethical.

**7.6.2** These issues are concerned with attracting competent people to the Organization, setting goals for them, appraising and rewarding their performance, and ensuring that they develop their careers and manage stress.

**7.11.1** Techno-structural approaches are rooted in the fields of engineering, sociology, psychology, economics and open system theory.

**7.11.2 Role Analysis Technique (RAT):** It is designed to clarify role expectation and obligations of team members to improve team effectiveness.

## **7.14 REVIEW QUESTIONS: -**

### **Short Questions**

Q.1 What is Organizational Development Interventions. Discuss its development in detail.

Q.2 Discuss various types of Organizational Development Interventions.

Q.3. Explain various approaches behind Organizational Development Interventions.

### **Long Questions**

Q.1. Discuss how Interventions helps in improving performance of the organizations.

Q.2. Discuss Walter approach behind Third Party Peacemaking Interventions.

Q.3 Write a detailed note on factors in selection of Organizational Development Interventions.

## **7.15 SUGGESTED READINGS**

- French, Wendell L., and Cecil H., Development: Behavioral Science Interventions for Organization Improvement, New Delhi, India: Prentice Hall of India
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**MBA DE ORGANIZATIONAL BEHAVIOUR AND DEVELOPMENT**

**LESSON 8 COMPREHENSIVE INTERVENTIONS**

**AUTHOR: RATNESH PAL SINGH\***

**STRUCTURE OF THE LESSON:**

8.0 OBJECTIVES

8.1 INTRODUCTION

8.2 SEARCH CONFERENCES AND FUTURE SEARCH CONFERENCES

8.2.1 Search Conferences and Future Search Conferences

8.2.2 Weisboard's future search conference model

8.3 SELF CHECK QUESTIONS

8.4 BECKHARD'S CONFRONTATION MEETINGS

8.4.1 The steps involved in the confrontation meetings

8.5 STRATEGIC MANAGEMENT ACTIVITIES

8.5.1 Stream Survey

8.5.2 Stream Analysis

8.6 GRID ORGANIZATION DEVELOPMENT

8.6.1 Process of Grid Organization Development

8.6.2 Trans-organizational Development

8.7 SELF CHECK QUESTIONS

8.8 SUMMARY

8.9 PRACTICE QUESTIONS

8.10 SUGGESTED READINGS

## **8.0 OBJECTIVES**

After going through this lesson, you will be able to understand the concept, of Comprehensive Interventions in Organizational Development. At the end of chapter, the various practice question is given to test the understanding of the reader. After reading this lesson the readers will be able to understand the concept of Search Conferences and future search conferences, various models used in these models and Grid Organization development.

## **8.1 INTRODUCTION**

The comprehensive OD intervention is in terms of the level to which the total Organization is involved. They are as follows: “Getting the whole system in the room”

The whole system refers to:

- Managers of all of the functional areas in a business.
- Representatives of top management, a cross section of employees from all levels and suppliers and customer representatives.
- Directors of all the social service agencies in a community.

## **8.2 SEARCH CONFERENCES AND FUTURE SEARCH CONFERENCES**

The Search Conference is a participative planning method that enables people to create a plan for the most desirable future of their community or Organization, a plan they take responsibility for carrying out themselves.

In a Search Conference, people (citizens, community leaders, managers, workers) become a planning community. Together they create a plan for the future, based on shared human ideals, that they can live form and work to implement. The Search Conference makes it possible for any kind of system, whether community or workplace, to thrive in the face of uncertain, turbulent times.

A Future Search Conference is a meeting that spans more than one day with the objective that participants identify a shared vision of the future towards which to aim. This option is particularly useful for providing an opportunity to come up with an agreed plan of action between those with power over and issue (i.e. politician or project designers) and those who will be affected by or who have concerns regarding the issue.



"A future search conference helps a group of people to develop a series of options for the future, and agree on a plan of action, which, because participants include those with the power to make it happen as well as those who will be affected, should be able to be implemented.

A future search conference will develop a feasible plan which incorporates the needs and wishes of those affected as well as those of the decision making agencies or departments. Such a plan should allow a community or group to reach a preferred future vision."

### **8.2.1 Search Conferences and Future Search Conferences**

- The basic design of the search conference has three following phases:
- Phase 1: Environment Appreciation. (changes in the world around us, desirable and probable future)
- Phase 2: System analysis. (history of system, analysis of the present system, desirable future for the system)
- Phase 3: Integration of system and environment. (dealing with constraints, strategies and action plans)

Future search conferences are the one that integrates ideas from Ronald Lippit. Lippit and Lindeman finding says that when people plan presents action by working backwards from what is really desired, they develop energy, enthusiasm, optimism and high commitment.

### **8.2.2 Weisboard's future search conference model**

According to the Weisboard's future search conference model consists of following steps:

- **The consultants:** They are also known as conference managers. They meet with a committee of four to six potential participants. They work on many things like who should attend, dates, timings, locations and many more things related to conferences. Mostly they plan to start meetings on evening of Wednesday and to end it in afternoon of Friday

- **50-60 people are invited:** to involve whole system in to the conference the persons from various functional areas, from different levels of Management, persons from all cultures, gender, ages, customers, suppliers and union leaders can also be there.
- **The conference has four or five segments each lasting up to half a day:** As Weisbord describes it, each one requires that people: (I) build a database. (ii) Look at it together (iii) interpret what they find and (iv) draw conclusions for action.
- **The first major activity focuses on the past:** each one in the conference is asked to make notes on what already had achieve, any particular event which they easily recall from self, company and society perspective.
- **The second major activity focuses on the present factors:** The factors to be focused can both internal and external which can put impact on future of the organization. The conference managers will take key statements and make a summary of the notes.
- **The third major activity focuses on the future:** in this a new group is formed and time is given to them to develop a draft of future scenario. They are asked to develop the most desirable five-year plan for future. At the end the group reports all the drafted things to be done in future to the total conference.

### **8.3 SELF CHECK QUESTIONS**

**8.3.1** What is a search conference?

**8.3.2** What is a future search conference?

### **8.4 BECKHARD'S CONFRONTATION MEETINGS**

The confrontation meeting developed by Richard Beckhard, is one-day meeting of the entire management of an Organization in which they make reading of their own Organizational health within matter of hours to set action plan for improving it.

**8.4.1**The steps involved in the confrontation meetings are:

- **Climate setting (duration is 45 to 60 min):** the top managers starts the session by stating their goals for the meeting, stating various issues and problems for open discussion. they make it clear that no executive will be punished for what they suggest.

Then consultant share the importance of communication, practicability of various issues, problem solving of various issues in the organization.

- **Information collecting (duration is 1 hr.)**—Small group of 7-8 members are formed on the basis of heterogeneity of composition which include the executives from different functional areas. One thing which is kept in mind during this that boss and their subordinate cannot put together in same team.
- **Information sharing (duration is 1 hr.):** The managers usually collect the information on the basis of types of problems (e.g. communication problems), type of relationship (e.g. trouble with top management) or type of area (e.g. problem with any department) and put them on newsprint on walls.
- **Priority setting and group action planning (duration is 1 hr. and 15 minutes):** on the basis of above recommendation the priority is being set to solve the various issues and problems. the groups are formed to take further actions.
- **Immediate follow-up by Top Team (1 to 3 hrs.):** the top management then make immediate follow ups to taken actions and meet the various executives.
- **Progress Review (2 hours):** a follow up meeting with total management is held after four to six weeks to report progress and to review the actions taken.

## **8.5 STRATEGIC MANAGEMENT ACTIVITIES**

There are six major tasks that compromise the strategic management process:

- 1) Goal formulation
- 2) Environmental analysis
- 3) Strategy planning
- 4) Strategy evaluation
- 5) Strategy implantation
- 6) Strategic control

### **8.5.1 Stream Analysis**

Stream analysis is a technique helpful in planning behavioral, structural, and technical changes:

- Begins by identifying behavioral, technological, and structural interventions that organization can put into practice as part of the OD program.
- Helps the organization to identify and plan interventions over a period of time.
- Provides a graphical representation of the changes and allows for progress in implementing precise changes to be plotted.

### **8.5.2 Stream Survey**

"Stream Survey" software is the front end, assessment phase, of Stream Analysis suite. It is designed to generate superior online questionnaires based on the principles of Stream Analysis from a bank of over 1000 questions. It empowers the managers to design and conduct organization wide surveys on a range of problems and issues, in a manner that they produce most informative results for the executives. Stream Survey generates a comprehensive set of results complete with statistical analysis of the survey questionnaire to be used in assessing organizational problems. The results of such survey can be imported into the Stream Diagnostic as starting issues for core problem identification. "Stream Survey" is currently available as a service.

## **8.6 GRID ORGANIZATION DEVELOPMENT**

Grid Organization development was developed by Blake and Mouton. It is a comprehensive and systematic OD program which aims at individuals, groups and the Organization as a whole. It utilizes a considerable number of instruments enabling individuals and groups to assess their own strengths and weaknesses; focuses on skills.

Its specific objectives are as follows:

- To study the Organization as an interactive system and apply techniques of analysis in diagnosing its problems.
- To understand the importance and rationale of systematic change.
- To evaluate the styles of leadership and techniques of participation to produce desirable results.

### **8.6.1 Process of Grid Organization Development**

The grid Organization development consists of six phases:

1. **Managerial Grid:** It covers various aspects of assessing managerial styles, problem solving communication skills and teamwork.
2. **Teamwork Development:** The focus in this stage is to develop teamwork by analyzing team culture, traditions and the alike. The skills relating to planning objective setting and problem solving are also developed.
3. **Inter-group Development:** At this phase the focus is on inter group behavior and relations. The thrust is on moving groups from conflict to co-operation.
4. **Developing Ideal Strategic Corporate Model:** At this stage the focus shifts to the total Organization and to develop skills necessary for Organizational excellence.
5. **Implementing the Ideal Strategic Model:** The implementation stage includes the building of the Organization on the model of ideal Organization on the basis of concepts developed under stage 4. Each group may be given assignment to evolve strategy for making ideal Organization with the help of the consultant.
6. **Systematic Critique:** In this stage the various efforts from phase 1 to phase 5 are evaluated and critical analysis is made. The analysis will bring out the shortcomings that may be there. In this light the various programs may be redesigned.

### **8.6.2 Trans-organizational Development**

An intervention concerned with helping Organizations join into partnership with other Organizations to perform tasks or solve complex problems.

- It is an important form of Organizational change process for trans Organizational systems. It includes three phases:
- Phase 1. Potential member Organizations are identified.
- Phase 2. Member Organizations are convened. (to bring together for a meeting or activity)
- Phase 3. The TS (trans Organizational systems) is organized.

### **8.7 SELF CHECK QUESTIONS**

8.7.1 What is a stream survey?

8.7.2 What is a grid organizational development?

## **8.8 ANSWERS TO SELF CHECK QUESTIONS**

8.3.1 The Search Conference is a participative planning method that enables people to create a plan for the most desirable future of their community or Organization, a plan they take responsibility for carrying out themselves.

8.3.2 A Future Search Conference is a meeting that spans more than one day with the objective that participants identify a shared vision of the future towards which to aim. This option is particularly useful for providing an opportunity to come up with an agreed plan of action between those with power over and issue (i.e. politician or project designers) and those who will be affected by or who have concerns regarding the issue.

8.7.1 Stream Survey" software is the front end, assessment phase, of Stream Analysis suite. It is designed to generate superior online questionnaires based on the principles of Stream Analysis from a bank of over 1000 questions.

8.7.2 Grid Organization development was developed by Blake and Mouton. It is a comprehensive and systematic OD program which aims at individuals, groups and the Organization as a whole. It utilizes a considerable number of instruments enabling individuals and groups to assess their own strengths and weaknesses; focuses on skills.

## **8.9 SUMMARY**

Similar to all OD interventions, these comprehensive interventions be required to engage a joint endeavor between the client's organizations and the consultants in equally diagnosis and interventions. To be successful, they must fit the realities being practiced by the client's system and must take on the assistance and benevolence of client system members. It helps to give significant assistance and leadership in developing suitable structures for communications and decision making. Beckhard's confrontation meeting and strategic management activities involve Comprehensive OD interventions are very much observable in

the modern OD practice. Appreciative investigation focuses on the strengths of the Organization and what is most valued. Future search conferences tend to engage a wide range of Organizational members. All of top management or in case of smaller Organizations, the entire management group. Trans Organizational development is aimed to support Organizations in forming and by its members. Like all OD interventions these comprehensive interventions must involve a collaborative developing alliances.

## **8.10 REVIEW QUESTIONS**

### **Short Questions**

1. What is grid Organization development? Explain its process.
2. Discuss the concept of comprehensive OD interventions?

### **Long Questions**

1. Explain Beckhard's Confrontation Meetings.
2. Explain Weisbord's future search conference model and its steps.

## **8.11 SUGGESTED READINGS**

- French, Wendell L., and Cecil H., Development: Behavioral Science Interventions for Organization Improvement, New Delhi, India: Prentice Hall of India
- Cummings, Thomas G., & Worley, Christopher G., Organization Development and Change (7th Edition), South-Western Educational Publishing.
- Hatch, Mary J., Organization Theory, New York: OUP
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- Senge, Peter M., The Fifth Discipline: The Art and Practice of Learning Organization, New York: Doubleday.

**MBA DE ORGANISATIONAL BEHAVIOUR AND DEVELOPMENT**

**LESSON 9 STRUCTURAL INTERVENTION**

**AUTHOR: RATNESH PAL SINGH\***

**STRUCTURE OF THE LESSON:**

9.0 OBJECTIVES

9.1 INTRODUCTION

9.2 SOCIO TECHNICAL SYSTEMS (STS)

9.3 SELF MANAGED TEAMS

9.4 SELF CHECK QUESTIONS

9.5 WORK REDESIGN

9.6 SELF CHECK QUESTIONS

9.7MANAGEMENT BY OBJECTIVES (MBO)

9.8QUALITY CIRCLES

9.9QUALITY OF WORK LIFE PROJECTS (QWL)

9.10TOTAL QUALITY MANAGEMENT (TQM)

9.11 SELF CHECK QUESTIONS

9.12 SUMMARY

9.13 ANSWERS TO SELF CHECK QUESTIONS

9.14 REVIEW QUESTIONS

9.15 SUGGESTED READINGS





## **9.0 OBJECTIVES**

After going through this lesson you will be able to explain structural intervention and to describe Changes in how the overall work of the organization is divided into units. Most of the Sis will seek a joint optimization of the social and technological system of the organization. Also the learners will come across the concept of large scale organizations.

## **9.1 INTRODUCTION**

These are also called as Techno Structural Intervention. Aimed at improving organizational effectiveness through changes in the tasks, structural, technological and goal processes in the organizations. Focus on job design, division of labor and hierarchy, arrangements of equipment and people etc.

Types of Structural Interventions

- Socio Technical Systems (STS)
- Self-managed Teams
- Work Redesign
- Management by Objectives (MBO)
- Quality Circles
- Quality of work life projects (QWL)
- Total Quality Management (TQM)

## **9.2 SOCIO TECHNICAL SYSTEMS (STS)**

- The phrase also refers to the interaction between society's complex infrastructures and human behavior.
- It is based on joint optimization of the social and technological systems of organization.
- The boundary between the organization & its environment should be managed to allow effective exchanges but protection from external disruptions.
- The implementation of STS should be highly participative.

### **9.3 SELF-MANAGED TEAMS/AUTONOMOUS WORK TEAMS**

- This is an option to usual assembly line methods. Rather than having a huge number of employees, each do a small operation to assemble a product, the employees are organized into small teams, each of which is accountable for assembling a whole product. These teams are self-managed, and are independent of one another.
- Providing teams with a grouping of tasks that comprises a major unit of the total work to be performed.
- Training of group members in multiple skills, including team effectiveness skills.
- Delegating to the team many aspects of how the work gets done.
- Providing a great deal of information and feedback for self-regulation of quality & productivity.

### **9.4 SELF CHECK QUESTIONS**

9.4.1 what do you mean by structural interventions?

9.4.2 Explain autonomous work teams.

### **9.5 WORK REDESIGN**

- Job design (also referred to as work design or task design) is a core function of human resource management and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder.
- Its principles are geared towards how the nature of a person's job affects their attitudes and behavior at work, particularly relating to characteristics such as skill variety and autonomy.
- The aim of a job design is to improve job satisfaction, to improve through-put, to improve quality and to reduce employee problems (e.g., grievances, absenteeism).

### **9.6 SELF CHECK QUESTIONS**

**9.6.1** What is work redesign?

## **9.7 MBO**

MBO may be described as a process consisting of series of inter related steps:

- The subordinate proposes a set of goals for the forthcoming time period.
- The subordinate and supervisor in cooperation developed specific goals and targets. These goals must be specific and measurable.
- The real performance of the individual is measured against his goals.
- The feedback of results to the individual and appropriate rewards for performance.
- The result of the performance review provides the basis for setting new performance goals.
- Peter Drucker believed MBO was not a cure-all, but a tool to be utilized. It gives organizations a process, with many practitioners claiming the success of MBO is dependent on the support from top management, clearly outlined objectives, and trained managers who can implement it.

## **9.8 QUALITY CIRCLES**

- It is a type of group problem solving and goal setting with a prime focus on maintaining and enhancing product quality.
- Quality circles consists of 7-10 employees from a unit who meet together regularly to analyze and make proposals about product quality.
- Leaders are encouraged to create a high degree of participation within the group.

## **9.9 QUALITY OF WORK LIFE PROJECTS (QWL)**

- It includes reformation of several dimensions of the organization.
- Increased problem solving between management and the union.
- Increased participation by teams of employees in shop floor decisions pertaining to production flow, quality control and safety.

- Skill development through skill training, job rotation, and training in team problem solving.

## **9.10 TOTAL QUALITY MANAGEMENT**

Total Quality Management is a combination of a number of organization improvement techniques and approaches including the use of quality circles, statistical quality control and extensive use of employee participation. It has following characteristics:

- Primary emphasis on customers
- Continuous search for sources of defects with a goal of eliminating them entirely.
- Participative Management
- Emphasis on teams & team work
- Continuous training

## **9.11 SELF CHECK QUESTIONS**

9.11.1 What do you mean by Quality Circles?

9.11.2 Explain Total Quality Management.

## **9.12 SUMMARY**

The unit covers a variety of selected structural intervention and shows the differences and similarities as well as the have common characteristics between Socio Technical Systems (STS), self-managed teams and others as discussed in the unit. Applications are properly called OD to the extent that the latter is true: it is used by the OD Notes practitioners but it is expected that OD label would not be applied whenever structural interventions are carried out without the attention to the social system or to humanistic values.

## **9.13 ANSWERS TO SELF CHECK QUESTIONS**

**9.4.1** These are also called as Techno Structural Intervention. Aimed at improving organizational effectiveness through changes in the tasks, structural, technological and goal processes in the organizations. Focus on job design, division of labor and hierarchy, arrangements of equipment and people etc.

**9.4.2** This is an option to usual assembly line methods. Rather than having a huge number of employees, each do a small operation to assemble a product, the employees are organized into small teams, each of which is accountable for assembling awhile product. These teams are self-managed, and are independent of one another.

9.6.1 Job design (also referred to as work design or task design) is a core function of human resource management and it is related to the specification of contents, methods and relationship of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder.

9.11.1 It is a type of group problem solving and goal setting with a prime focus on maintaining and enhancing product quality.

9.11.2 Total Quality Management is a combination of a number of organization improvement techniques and approaches including the use of quality circles, statistical quality control and extensive use of employee participation.

#### **9.14 REVIEW QUESTIONS**

1. Explain TQM appears to be highly similar with OD approaches and values.
2. What are self-managed teams and how they are related to socio-technical system design?

#### **9.15 SUGGESTED READINGS**

- French, Wendell L., and Cecil H., Development: Behavioral Science Interventions for Organization Improvement, New Delhi, India: Prentice Hall of India
- Cummings, Thomas G., & Worley, Christopher G., Organization Development and Change (7th Edition), South-Western Educational Publishing.
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**LESSON 10 PERSONAL INTERVENTIONS**

**AUTHOR: RATNESH PAL SINGH\***

**STRUCTURE OF THE LESSON:**

10.0 OBJECTIVES

10.1 INTRODUCTION

10.2 STRATEGIES INVOLVED IN PERSONAL INTERVENTION

10.2.1 Counseling and coaching

10.2.2 Training and development

10.2.3 Replacement and termination

10.2.4 Selection and recruitment

10.2.5 Process Consultation Intervention

10.2.6 Sensitivity Training Laboratories

10.3 SELF CHECK QUESTIONS

10.4 KEY INTERVENTIONS

10.5 SELF CHECK QUESTIONS

10.6 SUMMARY

10.7 ANSWERS TO SELF CHECK QUESTIONS

10.8 REVIEW QUESTIONS

10.9 SUGGESTED READINGS



## **10.0 OBJECTIVE**

After reading of this chapter the readers will be able to develop leadership skills, even though individuals and organizations often struggle to make out ways to do so. This chapter looks at providing an overview of possible key interventions for personal development. For each type of intervention, the need to be asked about whether I am readily available, interest to me, benefits to me

## **10.1 INTRODUCTION**

The personal intervention is one in which the individual persons are putting their hard work, skills and series of actions in order to build up the organization.

- This personal intervention differs from level to level such as
- **On manager's level:** the manager will always try to put his skills and decisions on his/her employees(individually). He will individually contact each of the team member and give him some sort of training, counseling so that the member will get innovated and started trying to take decisions for the growth of organization.
- **On employee level:** at this level the individual employee will try to put his own efforts to grow himself as well as to grow the organization.

## **10.2 STRATEGIES INVOLVED IN PERSONAL INTERVENTION**

The following strategies are involved in this personal intervention

### **10.2.1 Counseling and coaching:**

- This helps persons understand the reality of situation and their own attitudes and potential i.e. to deal with it. Through counseling, the individual undergoes self-analysis and is helped to make knowledgeable choices and develop a program of personal relearning.
- If these issues are not deal with, individual may go through considerable personal pain as she/he resists, distorts reality and ultimately fails to adapt.
- Similarly, if the organization does not come to understand the individual's needs and limits, it cannot modify change plans to accommodate him/her. Counseling enhances employee involvement and commitment.

### **10.2.2 Training and development:**

- Includes concentrated learning experience outside of the immediate work environment. They are aimed at helping the individual to gain a better understanding of himself and to acquire new knowledge, attitude and skills. The training needs of individuals are recognized during the counseling process.
- Training that transmits knowledge (cognitive learning) and training that helps individual analyze themselves and to develop new skills are both needed.

### **10.2.3 Replacement and termination:**

- The replacement of key individuals can help speed up change in groups and organization overall effectiveness. The purpose of training, counseling and development is to make clear for individual what they must do to adopt and help them do it. If these interventions fail to change the individual, then replacement and termination are considered.

### **10.2.4 Selection and recruitment:**

- The type of people employed by the organization, their needs and expectations determine the kinds and amounts of satisfactions the organization must provide to attract, keep and motivate them. Investing in the development of a comprehensive and valid selection process is money well spent.

### **10.2.5 Process Consultation Intervention:**

- Process Consultation (PC) is a method for intervening in an ongoing system. In this approach, a skilled third party (consultant) works with individuals and groups to help them learn about human and social processes and learn to solve problems that stem from process events. This is an often-used approach by many OD consultants and practitioners.
- The process consultant helps our organization to solve its problems by making it aware of organizational processes, of the consequences of these processes, and of the mechanisms by which they can be changed. It is to enable the organization to address its problems by itself.
- In this, the consultant works with the organization, in work teams and helps them to develop the skill necessary to diagnose and solve the process problems that arise. The

organizational processes that are important to be dealt with, include- communications, clarifying the roles and functions of group members, group problem solving and decision making, group norms and group growth, leadership and authority, and inter-group cooperation and competition.

#### **10.2.6 Sensitivity Training Laboratories:**

- A T-group is an unstructured., agenda-less group session for about 10 to 12 members. Professional “trainer” acts as a catalyst and facilitator. The data for discussion arises from the interaction of the group members as they strive to create a viable society for themselves. What is discussed and analyzed etc. are the actions, reactions, interactions, and feelings arising out of the member interactions. Conceptual material relating to interpersonal relations, individual personality theory, and group dynamics also form a part of the program. The ‘group experiences’ form the fulcrum of learning.
- This T-group is a powerful learning laboratory that facilitates learning more about oneself as a person, learning how others react to one’s behavior, and learning about the dynamics of group formation, group norms, and group growth. It assists to improve one’s interpersonal skills.
- These insights are coupled with the growth of skills in diagnosing and taking more effective interpersonal and group actions that provide the participants with the basic skills necessary for more competent action taking up in the organization.

### **10.3 SELF CHECK QUESTIONS**

**10.3.1** What do you mean by personal intervention?

**10.3.2** Explain Counselling and Coaching as a strategy of personal intervention?

### **10.4 KEY INTERVENTIONS**

Below is a list of key interventions that can be implemented

- **Self-reflection:** Creating space and time to reflect on your actions and reactions to events, so that you can recognize what you can learn and add to self-awareness. This distinguishes high performers and requires assurance until it becomes habit.

- **Reflective journal:** Documenting your reflections in note form, diagrams or mind-maps. It helps to increase critical thought, understanding and follow-up.
- **Personal performance management:** Gaining close into your own performance, as a result of appraisals, debate with peers, seniors, mentors or coaches, or informal discussions. It should be used as a foundation to plan further expansion to improve personal performance.
- **Project experience:** Working on projects is an essential environment and support for learning to take place, as a chance to relate what has been learnt and gain critical experience.
- **Self-study:** Learning topics of interest and value. The internet has made available a vast array of materials which makes self-study easier.
- **Feedback:** Requesting and obtaining insight on personal performance from different perspectives. Be sure you want to receive feedback but note that often it is the negative and challenging feedback that helps us most.
- **Mentoring:** Providing advice and support, which typically comes from someone who has had similar experiences or responsibilities. This can help you work through your own issue or situation and can be done one to one, or one to many.
- **Buddying:** Informally supportive relationship, which is an opportunity to share and compare approaches and experiences with others. Typically, this is to provide mutual support through a close association.
- **Training:** Gaining knowledge and skills through a multiplicity of options; face to face, classroom based, distance and e-learning, simulation and gamification.
- **Storytelling:** Actively seeking out opportunities to listen to others who have specific insights, which may be beneficial to your own position.
- **Communities of interest:** Joining and participating in communities or groups of people who share a common interest, and who share their experience, knowledge, skills and learning.
- **Professional body membership:** Participating in the wider profession by belonging to a professional body. This provides access to policy makers, researchers and a network of contacts. Membership also provides recognition of your knowledge.

- **Conferences and seminars:** Attending events exposes you to innovative contributions and thinking. You can hear a variety of practitioners and researchers, as well as taking the opportunity to present your own experiences.

## **10.5 SELF CHECK QUESTIONS**

10.5.1 Explain Self Reflection.

10.5.2 Explain **Professional body membership**

## **10.6 SUMMARY**

This list is neither jointly restricted nor communally exhaustive. Some people may give importance to certain activities more than others and personal development should be about finding the best approach for each individual. In our experience, self-reflection is one of the most powerful but underrated activities. Personal intervention by the facilitator in the strategic planning process is critical to its success and can significantly compress the change process. The ability to make effective personal interventions is the most sophisticated and valuable personal skills facilitator can possess. Intervention requires extensive experience with the planning process, sensitivity to people, good personal relationships, credibility, an extensive bag of solutions to various process problems, and an exquisite sense of timing as to when to intervene.

## **10.7 ANSWERS TO SELF CHECK QUESTIONS**

**10.3.1** The personal intervention is one in which the individual persons are putting their hard work, skills and series of actions in order to build up the organization.

**10.3.2** This helps persons understand the reality of situation and their own attitudes and potential i.e. to deal with it. Through counseling, the individual undergoes self-analysis and is helped to make knowledgeable choices and develop a program of personal relearning.

**10.5.1** Creating space and time to reflect on your actions and reactions to events, so that you can recognize what you can learn and add to self-awareness. This distinguishes high performers and requires assurance until it becomes habit.

- **10.5.2** Participating in the wider profession by belonging to a professional body. This provides access to policy makers, researchers and a network of contacts. Membership also provides recognition of your knowledge.

## **10.8 REVIEW QUESTIONS**

1. Explain Process Consultation Intervention.
2. Explain the various interventions for self-development

## **10.9 SUGGESTED READINGS**

- French, Wendell L., and Cecil H., Development: Behavioral Science Interventions for Organization Improvement, New Delhi, India: Prentice Hall of India
- Cummings, Thomas G., & Worley, Christopher G., Organization Development and Change (7th Edition), South-Western Educational Publishing.
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**MBA DE                      ORGANISATIONAL BEHAVIOUR AND DEVELOPMENT**  
**LESSON 11                 DEVELOPMENT OF ORGANIZATIONS**

**AUTHOR: Dr. DHIRAJ SHARMA\***

**STRUCTURE OF THE LESSON:**

**11.0 OBJECTIVES**

**11.1 INTRODUCTION**

**11.2 TYPES OF ORGANIZATIONAL CHANGE**

11.2.1 Adaptive change.

11.2.2 Innovative change.

11.2.3 Radical change.

**11.3 SELF CHECK QUESTIONS**

**11.4 ORGANIZATIONAL DEVELOPMENT IDEAS AND METHODS**

11.4.1 Laboratory training methods.

11.4.2 Survey feedback method.

**11.5 CHARACTERISTICS OF ORGANIZATIONAL DEVELOPMENT**

11.5.1 Organizational development includes deep-level changes and high-level value orientation.

11.5.2 Organizational development is a diagnosis-improvement cycle.

11.5.3 Organizational development is a gradual process.

11.5.4 Organizational development is a strategy to achieve change by means of planned re-education.

11.5.5 Organizational development has clear goals and plans.

**11.6 THEORETICAL MODELS OF ORGANIZATIONAL CHANGE**

11.6.1. Lewin Change Model

11.6.2 System change model

11.6.3 Kotter's Organizational Change Model

11.6.4 Bennis's model

**11.7 SELF CHECK QUESTIONS**

**11.8 DRIVING FORCES OF ORGANIZATIONAL CHANGE AND DEVELOPMENT**

11.8.1 External drivers for change

11.8.1.1 Socio-political characteristic.

11.8.1.2 Technological developments.

11.8.1.3 Market competition.

11.8.2 Internal change drivers

11.8.2.1 Organizational structure.

11.8.2.2 Personnel and management characteristics

11.8.2.3 Team work mode.

**11.9 ORGANIZATIONAL DEVELOPMENT AND TECHNOLOGY**

11.9.1 Socio-technical system



- 11.9.2 Task design and work content enrichment
- 11.9.3 Creating a supporting environment
- 11.9.4 Achieving organizational change
- 11.10 SELF CHECK QUESTIONS
- 11.11 SUMMARY
- 11.12 ANSWERS TO SELF CHECK QUESTIONS
- 11.13 REVIEW QUESTIONS
- 11.14 SUGGESTED READINGS

## **11.0 OBJECTIVES**

After going through this lesson, you will be able to understand the concept, ideas and theories of Organizational Change and Development. Lesson ends with summary and chapter based questions. After reading this lesson, you will understand how the organisations develop and change. You will be able to understand various models and drivers of change including the role of technology in shaping the organisations and their structure.

## **11.1 INTRODUCTION**

Enterprises and organizations in our country are in an environment of growing high-tech, competitive and comprehensively following reforms and opening up. Therefore, organizational change and development have become an important content of management research today. Organizational change refers to the transformation or adjustment of organizational function. All organizations will continue to make certain changes. Organizational management departments need to constantly adjust work procedures, recruit new cadres or employees, set up new departments or institutions, reform original rules and systems, implement new information technology, and so on. Organizations are always faced with pressures for change in all aspects, including pressures from competitors, information technology, and customer needs. Therefore, organizational change has become one of the important tasks of management.

## **11.2 TYPES OF ORGANIZATIONAL CHANGE**

Organizational changes can be roughly divided into three categories.

**11.2.1 Adaptive change.** This refers to the introduction of relatively familiar management practices that have been piloted. It is a change with a lower degree of complexity and a higher degree of certainty. The adaptive change has less impact on employees and has less potential resistance.



**11.2.2 Innovative change.** This refers to the introduction of brand-new management practices, such as the implementation of flexible working hours or a shareholding system, which often has high complexity and uncertainty, which can easily cause fluctuations and worries among employees.

**11.2.3 Radical change.** This refers to the implementation of large-scale, high-pressure changes and management practices, which involve a high degree of complexity and uncertainty, and the cost of change is also high.

Since the 1960s, management psychologists and entrepreneurs have paid special attention to planned change, that is, from scattered change activities to systematic and strategic planned changes, and emphasizes theoretical guidance and methodological approaches to change. As a result, a new field of management psychology has been developed, namely, Organizational Development, or OD for short, which is the English abbreviation for Organizational Development. Organizational development refers to the process of improving and renewing the enterprise organization through long-term efforts at the organizational level with the idea of optimizing personnel and coordinating the organizational atmosphere to achieve systematic organizational changes. To carry out organizational development, it is often necessary to use the theories and techniques of management psychology and other disciplines under the guidance and help of some experts to achieve predetermined organizational change plans and goals. Organizational development emphasizes the role of formal work groups, and its main target is work groups, including managers and employees. This is different from the traditional way of organizational improvement activities, which focus on individual managers, rather than groups. Comprehensive organizational development also includes the interrelationships between groups and the problems of the entire organizational system.

Organizational change has a very close relationship with organizational development. Organizational development can be seen as a means to achieve effective organizational change. Another concept closely related to organizational change and organizational development is organizational innovation, which refers to the use of multiple skills and organizational resources to create new ideas, products, or services in the industry or market. Through planned organizational intervention activities in human resource management, management institutions and systems, it helps managers plan changes and promotes the formation of a high degree of commitment, coordination, and job competence between employees at all levels, thereby enhancing organizational effectiveness and Comprehensive competence of employees.

### **11.3 SELF CHECK QUESTIONS**

11.3.1 What is adaptive change?

11.3.2 What is innovative change?

### **11.4 ORGANIZATIONAL DEVELOPMENT IDEAS AND METHODS**

The theories and methods of organizational development mainly evolved from two aspects. One is the use of laboratory training methods for industrial organizations; the other is the use of survey feedback methods to understand and improve the attitudes of enterprises and organization members.

**11.4.1 Laboratory training methods.** This method has been mainly used since the 1940s, using group discussions and case studies to understand and change the work behavior of various management levels. For example, the organization of group interpersonal relationship training courses has gradually developed into a group training laboratory for group training. This training method has become one of the basic means of organizational development.

**11.4.2 Survey feedback method.** Another source of organizational development is to use attitude surveys and result feedback methods while conducting group interpersonal relationship training to conduct detailed multi-level attitude surveys, then analyses the collected and sorted materials, and feed the results back to participating people.

From the above two aspects, it has gradually developed into the current systematic and diverse organization development technology, which is quickly and widely used in various enterprises and organizations.

### **11.5 CHARACTERISTICS OF ORGANIZATIONAL DEVELOPMENT**

Organizational development is a means to improve the enthusiasm and consciousness of all employees, and it is also an effective way to improve organizational efficiency. There are several basic characteristics of organizational development.

**11.5.1 Organizational development includes deep-level changes and high-level value orientation.**

Organizational development means deep and long-term organizational changes are required. For example, in order to gain new competitive advantages, many companies plan to implement new

organizational changes which requires the use of organizational development models and methods. As organizational development involves people and groups, there are obvious value orientations, especially focusing on cooperation and coordination rather than conflict and confrontation, emphasizing self-monitoring rather than regulatory control, and encouraging democratic participation in management rather than centralized management.

### **11.5.2 Organizational development is a diagnosis-improvement cycle.**

The idea of organizational development is to carry out ‘multi-layer diagnosis’, ‘action intervention’ and ‘monitoring evaluation’ to the enterprise, thus forming a positive and healthy diagnosis-improvement cycle. Therefore, organizational development emphasizes the combination of research and practice. A distinctive feature of organizational development is to base organizational development ideas and methods on the basis of adequate diagnosis, tailoring, and practical verification. One of the key parts of organizational development is learning and problem solving, which is also an important foundation for organizational development.

### **11.5.3 Organizational development is a gradual process.**

Organizational development activities not only have certain goals, but are also a coherent, constantly changing dynamic process. The important foundation and characteristic of organizational development is to emphasize the interconnection and interdependence of various parts. In organizational development, various management and business events in an organization are not isolated, but interrelated; the organizational development carried out by one department will inevitably affect the processes of other departments. Organizational development focuses on process improvement. It not only solves current problems, but also learns new knowledge and skills through effective communication, problem solving, participation in decision-making, conflict resolution, power sharing and career design, and solves mutual existing problems. Problems clarify the goals of the group and the organization, and achieve the overall goal of organizational development.

### **11.5.4 Organizational development is a strategy to achieve change by means of planned re-education.**

Organizational development is not only about the transformation of knowledge and information, but more importantly is the update of various aspects of management psychology such as

attitudes, values, skills, interpersonal relationships and cultural atmosphere. Organizational development theory believes that through the re-education of organizational development, employees can abandon the old norms that are not suitable for the development of the situation, establish new norms of behavior, and establish the norms of behavior on the basis of employees' attitudes and value system optimization so as to achieve the strategic purpose of the organization.

#### **11.5.5 Organizational development has clear goals and plans.**

Organizational development activities are the process of setting and implementing development goals and plans, and various training and learning activities need to be designed to improve the ability of goal setting and strategic planning. A large number of studies have shown that clear, specific, and moderately difficult goals can more stimulate work motivation and improve work efficiency. Goal setting and goal management activities can not only maximize the use of the company's various resources and give full play to the potential of both people and technology; it can also produce high-quality development plans and enhance long-term sense of responsibility. Therefore, an important aspect of organizational development is to allow the organization to set long-term learning goals and master work planning skills, including formulating indicators and plans, determining specific work procedures according to predetermined goals, and decision-making skills.

### **11.6 THEORETICAL MODELS OF ORGANIZATIONAL CHANGE**

Organizational change is a complex and dynamic process that requires systematic theoretical guidance. Management psychology has put forward various effective theoretical models for this, which is suitable for different types of transformation tasks. Among them, the most influential ones are: Lewin Change Model, System Change Model and Kotter Change Model.

#### **11.6.1. Lewin Change Model**

One of the most popular models is the Lewin change model. Lewin (1951) was of the view that there are three stages in a planned organizational change. These are unfreezing, reforming, and refreezing.

**11.6.1.1 Unfreezing.** The focus of this step is to create a motivation for change. Encourage employees to change their original behavior patterns and work attitudes, and adopt new

behaviors and attitudes that adapt to the development of organizational strategies. In order to achieve this, on the one hand, it is necessary to deny old behaviors and attitudes; on the other hand, it is necessary to make cadres and employees aware of the urgency of change. The method of comparative evaluation can be used to compare the overall situation, business indicators and performance level of the unit with other outstanding units or competitors, to find out the gaps and the basis for unfreezing, and to help cadres and employees unfreeze existing attitudes and behaviors, urgently demanding change, and willing to accept new working models. In addition, attention should be paid to creating an open atmosphere and a sense of psychological security, reducing the psychological barriers to change, and increasing confidence in the success of the change.

**11.6.1.2 Change.** Change is a learning process. It is necessary to provide employees with new information, new behavior patterns and new perspectives, point out the direction of change, implement changes, and form new behaviours and attitudes. In this step, attention should be paid to setting an example for new work attitudes and behaviours, using various approaches such as role models, mentor guidance, expert speeches, and group training. Lewin believes that change is a cognitive process, which is completed by acquiring new concepts and information.

**11.6.1.3 Freezing.** In the re-freezing phase, the necessary strengthening methods are used to fix the new attitudes and behaviours, so that the organizational change is in a stable state. In order to ensure the stability of organizational change, it is necessary to pay attention to giving employees the opportunity to try and test new attitudes and behaviours, and to give positive reinforcements in time; at the same time, to strengthen the stability of group change behaviours to promote the formation of stable and lasting group behaviour norms.

## **11.6.2 System change model**

The system change model explains the interrelationship and mutual influence between various variables in the process of organizational change in a larger scope. This model includes three parts: input, change element and output.

**11.6.2.1 Input.** The input part includes internal strengths and weaknesses, external opportunities and threats. Its basic structure is using the organization's mission, vision and corresponding strategic planning. Enterprise organizations use mission sentences to express their reasons for

existence; vision is to describe the long-term goals pursued by the organization; strategic planning is a planned change action plan for achieving long-term goals.

**11.6.2.2 The elements of change.** The elements of change include objectives, personnel, social factors, methods, and organizational systems. These elements restrict and influence each other, the organization needs to combine the corresponding change elements according to strategic planning to achieve the goal of change.

**11.6.2.3 Output.** The output part includes the results of the change. According to the organization's strategic plan, from the three levels of organization, departmental group, and individual, enhance the overall effectiveness of the organization.

### **11.6.3 Kotter's Organizational Change Model**

Leadership research and change management expert Kotter believes that organizational change failures are often due to the following mistakes made by senior management: failure to establish a sense of urgency for change needs; failure to create a strong steering group responsible for the management of the change process; failure to establish a vision to guide the change process , And carry out effective communication; fail to systematically plan to obtain short-term benefits; fail to clearly position the organizational culture change, etc. Kotter proposes eight steps to guide the development of organizational change norms: establish a sense of urgency; create a guiding alliance, develop a vision and strategy; communicate the change vision; implement authorized actions, consolidate short-term benefits, promote organizational change, and position cultural approaches. Kotter's research shows that 70% to 90% of successful organizational changes are due to the effectiveness of change leadership, and 10% to 30% are due to management efforts.

### **11.6.4 Bennis's model**

Bennis proposed that the criterion for judging organizational effectiveness should be the organization's ability to adapt to change. The main challenge facing organizations today is whether they can respond quickly to changing environmental conditions and actively adapt to external competitive pressures. The key to organizational success is being able to survive and adapt in a changing environment, and to do this, a scientific spirit and attitude are necessary. In this way, adaptability, problem analysis ability, and practice testing ability are the main content



reflecting organizational effectiveness. On this basis, Bennis proposed the standards for effective and healthy organization:

**11.6.4.1 Environmental adaptability:** the ability to solve problems and flexibly deal with environmental changes;

**11.6.4.2 Self-identification ability:** the ability of the organization to truly understand itself, including the nature of the organization, organizational goals, organization members' understanding and support of the goals, target procedures, etc.;

**11.6.4.3 Reality inspection ability:** the ability to accurately perceive and explain the real environment, especially the ability to acutely and correctly grasp the factors closely related to organizational functions;

**11.6.4.4 Coordination and integration ability:** the ability to coordinate the work of various departments in the organization and resolve departmental conflicts, as well as the ability to integrate organizational goals and personal needs.

## **11.7 SELF CHECK QUESTIONS**

**11.7.1** Explain Laboratory training methods.

**11.7.2** Explain System Change model.

## **11.8 DRIVING FORCES OF ORGANIZATIONAL CHANGE AND DEVELOPMENT**

The motivation for organizational change comes from all aspects, not only from the external environment of the organization, but also from within the organization.

### **11.8.1 External drivers for change**

The driving force of the external environment of organizational change includes various factors and pressures in politics, economy, culture, technology, market, etc. Among them, the following aspects are closely related to the driving force of change.

**11.8.1.1 Socio-political characteristic.** Social and political factors such as national economic policies, corporate reforms, development strategies, and innovative ideas are perhaps the most important factors, which form a strong driving force for changes in various organizations. The transformation of state-owned enterprises, the competition of foreign-funded enterprises, the

reform of various macro-management systems, the accession to the WTO etc. have all become the driving force for organizational change.

**11.8.1.2 Technological developments.** Mechanization, automation, and computer technology in particular have a wide-ranging impact on organizational management and become the driving force of organizational change. Due to the increasing adoption of high and new technology, the wide application of computer numerical control, computer-aided design, computer integrated manufacturing, and network technology has put forward changes in organizational structure, system, group management, and social psychological system. In particular, the application of network systems has significantly shortened the time and distance between management and operation, e-commerce has opened up new business opportunities, and has also forced business leaders to rethink the organizational structure and the competence requirements of employees. Knowledge management has become the focus.

**11.8.1.3 Market competition.** The global economy has formed new partnerships, strategic alliances and competition patterns, forcing enterprises to change their original business and competition methods. At the same time, competition in the domestic market is becoming increasingly fierce, and the labour market is undergoing profound changes, making enterprises speed up restructuring to improve their competitiveness. A large number of layoffs and mergers and acquisitions have increasingly become the focus of competition.

## **11.8.2 Internal change drivers**

The internal driving force of organizational change includes factors such as organizational structure, human resource management, and business decision-making.

**11.8.2.1 Organizational structure.** An important internal driving force for organizational change is organizational structure. The merger and reorganization of the organization due to external motivation, or the adjustment of strategy, requires the transformation of the organizational structure. This often affects the procedures and work processes of the entire organization. Therefore, organization reengineering has also become a new field of management psychology and other disciplines.

**11.8.2.2 Personnel and management characteristics.** As the reform of the labor and personnel system continues to deepen, the employees and the composition of their skills background are

more diversified, and enterprise organizations need more effective human resource management. Management has undoubtedly become the driving force of organizational change. In order to ensure the realization of the organizational strategy, it is necessary to make effective predictions, plans and coordination of the tasks of the enterprise organization, conduct multi-level training for the organization members, and continue to actively tap the potential and innovate the enterprise, and so on. These management activities are the necessary foundation and conditions for organizational change.

**11.8.2.3 Team work mode.** All kinds of business organizations are increasingly focusing on team building and updating of target values, forming a new driving force for organizational change. Changes in the morale, motivation, attitude, and behavior of members of an organization have an important impact on the entire organization. With the rapid development of e-commerce, virtual team management puts forward new requirements for organizational changes.

## **11.9 ORGANIZATIONAL DEVELOPMENT AND TECHNOLOGY**

Technology today has immense impact on organizational development. Let us discuss the organizational development ideas and methods in terms of technology.

### **11.9.1 Socio-technical system**

Socio-technical system ideas come from classic research conducted by the Tavistock Institute in the United Kingdom. This research on the social technology system proposes that the interaction between the technology system and the social psychological system is more important than the effects of the respective systems. In the development of organizations, the coordination of the two aspects of society and technology should be taken as an important task in order to make the organization achieves the best coordination in terms of technology, organizational structure, and social interaction.

The theory of social technology system comes from two aspects of theory and practice: one is the research of scientific management and industrial engineering, which pays more attention to improving the physical environment and improving work efficiency; the second is the research of management psychology, which focuses on group dynamics, Inter-employee relationships and individual needs and talents. The socio-technical system approach requires that while reforming the working environment and management system, it also pays attention to establishing a

positive cooperative relationship between the group, employees, and superiors, and meeting the long-term needs of the organization.

In the 1970s, the Tavistock Institute conducted an organization development study using the theory of socio-technical systems in a textile factory. The factory installed automatic looms and highly specialized tasks, and did not coordinate the group and organizational structure well, thus reducing the quality of its products. For this, management psychologists carried out a series of reforms to the factory, redesigned the work tasks and procedures, so that the tasks can be changed frequently; also established an autonomous working group; and so on. In the following two years, productivity continued to rise, quality improved, and employees' work energy also greatly improved. This example shows that it is necessary to attach importance to group and cultural construction, and to strengthen the transformation of the task itself, in order to receive twice the result with half the effort.

### **11.9.2 Task design and work content enrichment**

Another method of organizational development in terms of technology and structure is to reform the task design and enhance the enrichment of the work content. At the same time, to enhance the diversity, completeness and significance of the entire task, to increase the responsibility authorization and autonomy of the post, and to enhance various work results Timely feedback of information, so as to use the inherent motivational factors of work to improve job satisfaction and work efficiency. The research and practice of task design mainly began in the early scientific management movement. At that time, Taylor and Gilberth used time and motion analysis techniques to systematically inspect different types of work, trying to maximize work efficiency. However, research on organizational development through task design is still a recent thing.

It needs to be pointed out that there are also many controversies in the research on organizational development in terms of technology and structure. Critical opinions believe that organizational development methods such as socio-technical systems and work design deal with social groups and individuals more mechanically, and that organizations are regarded as closed systems, ignoring the important connection between the organization and the environment.

### **11.9.3 Creating a supporting environment**

The change of organizational structure needs to obey the requirements of organizational strategy, thus becoming the supporting environment for the development of organizational strategy.

Therefore, organizational development in technology and structure is still going on at the strategic level. According to the change of organizational strategy, it is necessary to adjust and design the organizational structure in time. Through organizational redesign, including dividing and merging new departments, coordinating the work of various departments, adjusting the scope and level of management, and giving the grassroots units a part of autonomy, it is possible to achieve organizational change and organizational development. This method is relatively straightforward and effective, and can often cause fundamental changes in the organization. For example, with the rapid growth of new product strategy and new process optimization work, the efficiency of the centralized organizational structure of a certain electrical appliance company is getting lower and lower, and it cannot adapt to various new changes, which hinders the further development of production. As a result, the company began to reform its organizational structure, adopting a decentralized, matrix structure and departments, and further adopting a virtual organizational form which greatly improves the efficiency of enterprise organization, and through organizational changes, continue to develop and grow. For different organizational change requirements, strategic goals and organizational conditions, different organizational structure changes and development methods should be adopted.

#### **11.9.4 Achieving organizational change**

Organizations not only need to adapt to the rapid changes in the external environment, but also need to actively adjust and control the environment, so as to maximize the realization of organizational goals. Therefore, in addition to reforming the organizational structure and internal management systems and regulations to adapt to the environment, attention should also be paid to adjusting and creating a new organizational environment, such as opening up new markets, and strengthening the acquisition, processing and integration of external business information.

In summary, organizational development in technology and structure involves all aspects of the organization, and plays an important role in improving work efficiency, enhancing management effectiveness and promoting the development of organizational strategy.

### **11.10 SELF CHECK QUESTIONS**

**11.10.1** What are external drivers for change?

**11.10.2** Explain market competition.

## **11.11 SUMMARY**

Organizations are always faced with pressures for change in all aspects, including pressures from competitors, information technology, and customer needs. Therefore, organizational change has become one of the important tasks of management. Organizational changes can be roughly divided into three categories. Since the 1960s, management psychologists and entrepreneurs have paid special attention to planned change, that is, from scattered change activities to systematic and strategic planned changes, and emphasizes theoretical guidance and methodological approaches to change. As a result, a new field of management psychology has been developed, namely, Organizational Development, or OD for short, which is the English abbreviation for Organizational Development. Organizational development refers to the process of improving and renewing the enterprise organization through long-term efforts at the organizational level with the idea of optimizing personnel and coordinating the organizational atmosphere to achieve systematic organizational changes. Organizational change has a very close relationship with organizational development. Organizational development can be seen as a means to achieve effective organizational change. Another concept closely related to organizational change and organizational development is organizational innovation, which refers to the use of multiple skills and organizational resources to create new ideas, products, or services in the industry or market. Organizational development is a means to improve the enthusiasm and consciousness of all employees, and it is also an effective way to improve organizational efficiency. Organizational change is a complex and dynamic process that requires systematic theoretical guidance. Management psychology has put forward various effective theoretical models for this, which is suitable for different types of transformation tasks.

## **11.12 ANSWERS TO SELF CHECK QUESTIONS**

**11.3.1** This refers to the introduction of relatively familiar management practices that have been piloted. It is a change with a lower degree of complexity and a higher degree of certainty. The adaptive change has less impact on employees and has less potential resistance.

11.3.2 This refers to the introduction of brand-new management practices, such as the implementation of flexible working hours or a shareholding system, which often has high complexity and uncertainty, which can easily cause fluctuations and worries among employees.

11.7.1 This method has been mainly used since the 1940s, using group discussions and case studies to understand and change the work behavior of various management levels. For example, the organization of group interpersonal relationship training courses has gradually developed into a group training laboratory for group training. This training method has become one of the basic means of organizational development.

11.7.2 The system change model explains the interrelationship and mutual influence between various variables in the process of organizational change in a larger scope. This model includes three parts: input, change element and output.

11.10.1 The driving force of the external environment of organizational change includes various factors and pressures in politics, economy, culture, technology, market, etc. Among them, the following aspects are closely related to the driving force of change.

11.10.2 The global economy has formed new partnerships, strategic alliances and competition patterns, forcing enterprises to change their original business and competition methods. At the same time, competition in the domestic market is becoming increasingly fierce, and the labor market is undergoing profound changes, making enterprises speed up restructuring to improve their competitiveness. A large number of layoffs and mergers and acquisitions have increasingly become the focus of competition.

## **11.13 REVIEW QUESTIONS**

### **Short Questions**

1. Discuss the types of organizational change.
2. Discuss different organizational development ideas and meth's.

### **Long Questions**

1. What are the characteristics of organizational development?
2. Discuss the theoretical models of organizational change.
3. What are the driving forces of organizational change and development?

### **11.14 SUGGESTED READINGS**

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**MBA DE ORGANISATIONAL BEHAVIOUR AND DEVELOPMENT**

**LESSON 12 RESEARCH IN AND FUTURE OF ORGANISATIONAL DEVELOPMENT**

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**STRUCTURE OF THE LESSON:**

12.0 OBJECTIVES

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12.2 RESEARCH IN AND FUTURE OF ORGANIZATIONAL DEVELOPMENT (OD)

12.2.1 Flat Organizations

12.2.2 Organizations Driven by Digital Media

12.2.3 High Speed

12.2.4 Operational Flexibility

12.2.5 Collaborative Teams

12.2.6 People-oriented Organization and Management

12.2.7 Learning Organizations

12.2.8 Distributed, Micro and Customized Organizations

12.2.9 Organizations without Boundaries

12.2.10 Parallel Distributed Collaborations

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12.2.12 Flexible Guidance

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12.2.16 People as Goals

12.2.17 Employee Talent

12.2.17.1 Talent sharing thinking

12.2.17.2 Right to use talents

12.2.17.3 Talent partnership

12.2.17.4 Talent aggregation

12.2.17.5 Talent value sharing

12.2.17.6 Talent networking

12.2.17.7 Talent customization

12.2.17.8 Talent self-management

12.2.17.9 Cross-border thinking of talents

12.2.17.10 Talent Grey thinking

12.3 SELF CHECK QUESTIONS

12.4 SUMMARY

12.5 ANSWERS TO SELF CHECK QUESTIONS

## 12.6 PRACTICE QUESTIONS

## 12.7 SUGGESTED READINGS

### **12.0 OBJECTIVES**

After going through this lesson, you will be able to understand the ongoing research in and future of Organization Development (OD). Lesson ends with summary and chapter based questions. After reading this lesson, you will understand the major changes that may impact the area of Organization Development (OD).

### **12.1 INTRODUCTION**

We live in a complex and rapidly changing society. That requires our organizations to have a great deal of flexibility and adaptability to quickly anticipate situations, needs and expectations. We work with the awareness that every organization is unique and at the same time part of a larger whole. People play a vital role. Only when they move along are teams and organizations able to operate decisively. All this requires clear vision and clarity of goals to move in the same direction. Exploiting knowledge and experiences within the organization requires team work, as well as the recognition of everyone's place and role. To have a clear vision and goal is a must condition to give sense of the same direction for the employees to follow. Development starts with understanding human behavior, their learning ability and their relationships with other people. Organizations should inspire people to follow their inspirations and make their unique contributions. Personal interests should align with organizational interests.

### **12.2 RESEARCH IN AND FUTURE OF ORGANIZATION DEVELOPMENT (OD)**

The field of organization development (OD) is facing serious questions about its future (Burke, 1976, 2002; Cummings and Worley, 2005). Several observers have described the current situation as an important crossroads in the field's history (Freedman, 1999; Farias and Johnson, 2000; Worren, Ruddle, and Moore, 1999; Hornstein, 2001; Worley and Feyerherm, 2003). On the one hand, OD is a powerful and institutionalized activity in many large and small companies, and it significantly influences how organizations are managed (Kleiner, 1996). On the other hand, OD is struggling with its own identity. It is often confused with change management and other forms of organizational change, its professional associations are grappling with their image, and many question the value of OD. A critical question facing the field at this crossroads is, what does the

future of OD look like, and how will it get there? This Lesson outlines the possible and likely future scenarios of organizational change and development.

Following are going to be the major future trends in organizational change and development.

### **12.2.1 Flat Organizations**

Due to the application of the Internet technology in organizations and the modernization of the organization's information collection, sorting, transmission and control methods, the pyramid traditional hierarchical structure is evolving to a flat organizational structure with fewer levels. In today's organizational changes, reducing intermediate levels, speeding up information transmission, and direct control are a basic trend. The structure of the organization will change from a pyramidal and bureaucratic organization to a flat and networked organization. The pyramidal bureaucratic organizational structure is a typical organizational form in the era of industrial civilization. Its typical feature is a top-down command and command chain, forming a pyramidal form from the high-level, middle-level, and executive levels, and forming professional functional departments based on the division of expertise. Its characteristics It is a clear division of labor, clear organizational boundaries, centralized power, command and order transmission, multiple management levels, high decision-making focus, and slow response to the market! Since the 20th century, with the development of scientific management theory and administrative management theory, hierarchical organization structure has been continuously promoted and applied. The original hierarchical organizational structure model is a linear-functional structure, which is characterized by a certain department and personnel exclusively engaged in a specific function, a high degree of concentration of power, and a unified command system. Strict control is implemented, but the inferiority of the information transmission of this type of structure makes its horizontal coordination ability worse, which leads to delay in decision-making. With the development of organizational theory, the organizational structure of the division system, federal system and matrix system has also emerged, but no matter which organizational structure is only suitable for a specific organization, it does not have complete advantages and disadvantages. As the company develops, Reasonable adjustment of the organizational structure will be an important means to enhance the enterprise's ability to respond.

Today's companies need to adapt to the complex and uncertain external environment, to respond to the rapidly changing needs of consumers, and to seize the opportunities for the development of

the Internet and the knowledge economy. The organizational structure needs to change from the pyramidal and hierarchical vertical of the past. The organizational structure is gradually transforming to a flat and networked organizational structure, making the organization lighter, faster, simpler, and more flexible. Internet companies such as Google first subverted this organizational model and replaced it with a flat mesh organization structure. This is a non-framework, non-structure, and non-fixed state. There are countless "project managers" in the company, but they must find their own work. When there are problems, plans and other tasks that need to be solved within Google, most of the time they will organize one after another working groups, and they will be responsible for the special work that may emerge at any time. Therefore, there are a large number of 'dual leaders' within the company and parallel decision-making. For traditional enterprises, flattening means organization with continuously reducing management levels. In particular, it is necessary to reduce the middle level; further, to continuously reduce the administrative approval and reporting levels, and reporting according to the 'Role' instead of 'Title', and; parallel decision-making, decision-making is more and more authorized to the front line, and the decision chain is growing the shorter resulting in the faster execution speed.

### **12.2.2 Organizations Driven by Digital Media**

Technology and the Internet are both the foundation of future leadership development and the driving force for change. The digital revolution has just begun and technology will increasingly influence the behavior of people and the functioning of organizations. Digital media have a major impact on the way individuals structure temporary work relationships within and outside their own organization. Digital media create the possibility to work together asynchronously, without being physically together. This is also called virtual offline collaboration. Digital media offer the opportunity to organize and structure time, work and private life differently.

### **12.2.3 High Speed**

With the development of information generation and processing, the era of economies of scale is shifting to the era of "speed economy". As President Chambers of Cisco of the United States said: "The new economic rules are not big fish eating small fish, but fast eating slow". Therefore, the future competition depends to a large extent on speed, and the future society is the era of "survival of the faster". Klaus Schwab, Founder and executive chairman World Economic

Forum, also said the same, “In the new world it is not the big fish which eats the small fish, it is the fast fish which eats the slow fish.”

#### **12.2.4 Operational Flexibility**

Flexibility refers to the adjustability of the organizational structure and the ability to adapt to environmental changes and strategic adjustments. In the era of knowledge economy, changes in the external environment are changing at a much faster rate than in the era of industrial economy. Therefore, the strategic adjustment and organizational structure adjustment of the organization must be timely. The emerging flexible organizational structure makes the operation of the organizational structure flexible.

#### **12.2.5 Collaborative Teams**

The team here refers to a group formed within the organization that has a conscious spirit of unity and cooperation and can complete tasks independently. Team organization is different from traditional departments. It is formed consciously, to accomplish common tasks, and is based on conscious information sharing and horizontal coordination. In a team, there are no managers with institutionalized power, only organizers; the members of the team are not professional, but versatile. The division of labor is not as clear as the traditional division of labor, and mutual cooperation is the most important feature.

#### **12.2.6 People-oriented Organization and Management**

In the era of knowledge economy, the most important resource in an organization is people, especially with special abilities and talents. The high efficiency and high benefit of an organization depends on the enthusiasm and creativity of its members. Therefore, the organization must respect the reasonable needs of each member, establish a scientific and effective incentive system and various rules and regulations, create opportunities and environments for full development for employees, and enable employees to obtain comprehensive and free development.

#### **12.2.7 Learning Organizations**

Organizations in the era of knowledge economy must continue to learn, and organizations must use a knowledge base that can promote learning and experimentation at all levels to support it. It would not be wrong to say that the ability to learn faster than your competitors may be the only lasting competitive advantage. It can be seen that the only way for an organization to stay ahead is to learn faster and better than its opponents.

### **12.2.8 Distributed, Micro and Customized Organizations**

The production organization of the enterprise will shift from centralized, large-scale, and standardized to a distributed, micro and customized organization under the platform. In the era of industrial civilization, the production organization of enterprises is mainly embodied in centralization, scale, and standardization. In the era of Internet and industrial intelligence, there are three main methods of enterprise production organization: First, intelligent unmanned factories appear in large numbers. In the past, a factory required one or two thousand people, but now only ten or twenty engineers are enough. In the near future we will see completely changed production organization of traditional enterprises. Second, the organization of corporate headquarters is becoming more platform-oriented, and internal business units are becoming more project-oriented and team-oriented. Technology based firms are pushing the entire enterprises to gradually move towards platform-based and distributed management. The third is the creation of smart family factories and individual knowledge workers based sourced from the Internet based social collaborative platforms. Therefore, from the perspective of the entire organization, the organization will become more and more a resource allocation platform, and the "cells" of operation and production are becoming more and more microscopic.

### **12.2.9 Organizations without Boundaries**

The organizational boundary will be broken, and organizational breaking and cross-border will become a fashion of organizational change. Exceeding industry boundaries, breaking organizational boundaries, organization without boundaries, and cross-border will become the new normal of organizations. Organizations will move from a series relationship in the past to a network structure interwoven with series and parallel, and transition from a closed industrial value chain in the past to the present Industrial ecosystem.

In the future, organizational boundaries will be broken mainly around four themes: One is to break the internal and external boundaries of the organization around users to form an industrial ecosystem that reconstructs customer value. Value not only comes from the activities of the enterprise's internal value chain, but also from the enterprise and industry. In the ecosystem formed by customers and partners outside the boundaries, only the industrial ecology can create

images for users and enable users to have the ultimate experience; the second is to break the boundary between leadership and being led by employees. Everyone is CEO! The third is centering on flat organization and networking, breaking bureaucratic boundaries, continuously subdividing performance units, continuously implementing business responsibilities to individuals and smaller teams, overturning decision-making walls, diversified reporting relationships, and cellular zed project tasks; further to focus on the organizational atmosphere, breaking the communication boundary, and achieving zero-distance and borderless instant communication.

#### **12.2.10 Parallel Distributed Collaborations**

Organizational cooperation and collaboration will change from departmentalization to itemization, and from central collaboration to parallel distributed collaboration. In the past, the cooperation of the organization was mainly based on functions and sub-departments, based on departmental cooperation, now it is based on people (talents and customers) as the main team: SBU, independent management, project team, cross-team and cross-functional customer solution team become a new form of teamwork. In the past, the collaboration within the organization was mainly based on the authority and authority in the hierarchical structure, the collaboration between the subordinates and the same level must come from the superior, and the collaboration of the future organization will be from the central collaboration to the parallel distributed collaboration or even the subordinate Synergy. From top-down bureaucratic organization to self-organization of non-centralized distributed network structure, self-organization of self-management, decision-making does not come from a certain center, but widely distributed scattered points close to customers, and actions do not necessarily come from advance OrganizationalDesign, but on demand and similarly, coordination would not come from superiors, it is automatic and spontaneous collaboration.

#### **12.2.11 Organizations Driven by Vision and Data**

The driving mechanism of the organization will shift from a command driven by higher authority to a driven by vision and data. The internal driving mechanism of traditional organizations is mainly driven by power and authoritative commands, which is now called vision and big data driving. Organizations need to stimulate the value of talents, create vitality, and drive employees to create value. Instead of relying on simple instructions, strict institutional constraints and



standardized codes of conduct to drive employees, they must rely on cultural value management and talents' influence on the organization's mission and vision. Acknowledgment has enabled thousands of troops to work towards a common goal. By awakening the consciousness of self-development and self-management of talents, the potential of employees for value creation can be stimulated. And the philosophy will be changed from what they want to do, to we do it together.

At the same time, user data will become the core asset of the enterprise, and the flow of user data will determine the flow of products and businesses, and become the basis for decision-making and business operations. Those who obtain the data will have the world! The company is no longer simply instructing employees to do and how to do according to authoritarian commands, but to determine the future development vision for employees, so that talents can be united under a common vision, and they can be used to drive the company, decision-making and business operations. From this perspective, the driving mechanism of the future organization is called vision-driven and big data-driven.

#### **12.2.12 Flexible Guidance**

The organization's control and supervision mechanism will move from rigid control to flexible guidance. The so-called rigid control mainly relies on strict systems, process management and discipline constraints. However, in the face of knowledge workers, no matter how complete the process, system, and risk control system are, there are still loopholes. Complete processes and institutional systems will fail. Only when high-quality business managers and employees with professional ethics and skills agree with the company's values, can the system and management and control processes be seamlessly connected. People are the biggest asset of an enterprise and also the biggest risk. The moral hazard of people is the most difficult to control. The control of moral hazard requires not only the process, system, and information symmetry, but also the culture and flexible guidance, so that employees are willing and motivated to abide by the rules; therefore, people and culture are the core of organizational management and control, as well as the source of strength. From the perspective of human nature, the most effective control is the downward shift of trust, authorization, and business responsibility.

#### **12.2.13 Open Organizations**

The characteristics of the organization range from static to dynamic, from closed to open. As an organic life body that constantly adapts to environmental changes, continuous change, innovation, and evolution will become a normal and survival method, and it will truly develop from static to dynamic. At the same time, it will continue to interact and replace energy with the external environment, making the organization no longer Closed, but as an Open system, it is continuously integrated into the industrial ecology and at the same time assumes corresponding social responsibilities.

#### **12.2.14 Networked Communication**

Organizational communication and atmosphere would change from face-to-face communication to networked communication. Breaking the departmental boundaries within the enterprise, various departments and members are connected to each other in the form of a network, so that information and knowledge can be spread at the fastest speed within the enterprise and realize the maximum resource sharing.

#### **12.2.15 Win-Win Philosophy**

The organization's adaptability to the environment will change from passive to active, from competition to symbiosis and win-win. Looking at the future from the perspective of the future, seeing changes, grasping trends, and proactively transforming and innovating will become the core skills for organizational survival. At the same time, building or integrating into the industrial ecology will become the main way for organizations to survive, integrating into the industrial ecology without losing their sense of direction. Altruism can be self-interested for a long time. Organizations win the realization of cooperation value through self-worth contribution, which will become the mainstream view of survival.

#### **12.2.16 People as Goals**

Reconstruction of the relationship between organizations and people, from people as tools to people as goals. In the period of agricultural civilization, organizations and people formed blood-related teams and geographic organizations. In the period of industrial civilization, organizations and people formed professional teams and hierarchical organizations. In the future, the relationship between organizations and people is being reconstructed, and cell-type organizations and network structures are derived. Organizations are restructuring relationships and values

around people—from manual workers to knowledge workers, from capital hired labor to mutual employment of human capital and monetary capital; from employment relationship to partners; from talent management to talent management; from attention to reality to potential; from human cost to human capital; from humanity to value From talent ownership to talent use rights; employee experience from material incentives to comprehensive recognition experience, etc. These all mean that people are no longer tools of value creation but self-controllers of value creation.

### **12.2.17 Employee Talent**

There is no perpetual successful company, only the successful company of a particular times. Only by the most difficult and deepest change in an enterprise is the change of organization and people. Organization is the connection and collection of people, and people are the protagonists. Organizations always define capabilities and values around people, and rebuild the relationship between people and organizations to improve organizational efficiency and value creation vitality. Therefore, in the era of qualitative change and uncertainty, we need to be keenly aware of the factors that affect the transformation of organizations and people, insight into the trend of organizational changes, and innovate the definition and thinking of organizations and people, so that the organization is promising, the work is efficient, and the talents are vibrant! The dimensions of the talent are also going to change in the future:

**12.2.17.1 Talent sharing thinking:** From talent ownership to talent sharing, talent knowledge and wisdom resource sharing, and talent value creation ability sharing. In the past, talents were owned by enterprises and units, and talents were exclusively owned by enterprises. In the era of knowledge economy, in the Internet era, more and more individual knowledge workers are no longer attached to any organization. Based on their professional knowledge and skills, they can provide services to many companies at the same time. Enterprises need to exchange value with these individual knowledge workers through projects and cooperation. As for some special talents, they are no longer confined to a certain field or a certain enterprise. His knowledge and wisdom are also shared within the whole society.

**12.2.17.2 Right to use talents:** In keeping with the talent sharing thinking, it is necessary to transition from the ownership of talents to the right to use talents. That is not to ask for talents, but for talents to use. What we use is not the human body, but the human knowledge and wisdom. The greatest wealth of an enterprise is not talents, because talents are mobile. The greatest wealth of an enterprise is the intellectual property rights you have, the skills you have, and the value creation ability of how many talents you can use. Under this condition, what enterprises pursue is no longer the so-called talent ownership, but the right to use talents. The right to use such talents is the so-called value creation right.

**12.2.17.3 Talent partnership:** In the past, it was hiring and recruiting talents. With the improvement of the status and role of human capital in the creation of corporate value, talents have changed from passively adapting to monetary capital to the dominant factor in corporate value creation. Human capital and monetary capital have the same corporate value. The right to value creation, the right to share value, and the right to speak in value creation decision-making. The relationship between talent and currency capital transitions from passive to active and equal. The two are no longer a single employment relationship, but a mutual employment relationship. Capital can hire talent, and talent can also hire capital. Under these conditions, corporate monetary capital must respect the value sharing power and decision-making power of human capital, so it has transitioned from hiring talents to talent cooperation. The so-called talent partnership system introduced by many companies is a reflection of talent partnership thinking.

**12.2.17.4 Talent aggregation:** We used to call integrating talents and plundering talents. Today, in a large industrial ecosystem, an enterprise actually gathers talents around customers. Behind the industrial ecosystem is an ecosystem of talents. For an enterprise to build an ecosystem of talents, it is no longer integration, but aggregation. Everyone gathers together by a common vision and common goal. It is to bring together different industries and different types of talents to jointly engage in a business and form a new talent ecosystem. In the past, talent investment was the priority, but now it is talent aggregation. Only when talents are gathered can there be an industrial ecosystem. Therefore, for an industry, all of its integrated industrial ecosystems have formed talent tribes and talent communities around the industrial ecology. Under these conditions, an enterprise is no longer simply to integrate talents, but to establish a mind-set of talent aggregation.

**12.2.17.5 Talent value sharing:** In the past, we often said that it is necessary to build a community of interests and establish a benefit-sharing mechanism. In today's Internet era, in the era of sharing economy, the core concept is no longer how everyone makes a pie together and then determines how to divide it, but in the industrial ecology Among them, talents will participate in the value creation process of the entire industry, participate in making different pie, and participate in the sharing of industry value. The enterprise is no longer a simple community of interests, but a value creation shared body, that is, a sharing mechanism of value talents. In an industrial ecology, companies provide a platform where talents can operate independently and create value around customers. Once value is created, it can be shared. The value shared by talents is exactly the value created for the organization.

**12.2.17.6 Talent networking:** In the Internet era, how do we gather the time, energy, and abilities of scattered people through the Internet, mobile Internet, and Internet of Things to form a platform that enables people and resources to be fully and effectively used? Then it is necessary to form a huge human capital aggregation through a distributed network and team through a platform and a network to form a huge human resource energy. This makes the organization and employees, employees and employees no longer through face-to-face communication, but network communication, to achieve network platform management and distributed operations.

**12.2.17.7 Talent customization:** Today, talents are no longer tools but customers. The innovation of our human resources products can achieve linkage and interaction with customers and allow customers to participate. The human resources products should be customized, should have product attributes, so that employees can participate in the design interactively and have experience value. Our human resources products and services should pay attention to the needs of talents, and provide them with personalized products and services, so that they can feel the attributes of the products. And now more and more attention is paid to treating talents as customers, making work entertaining, and at the same time entertaining work. In a sense, customers are also human capital, as well as the human capital of fans of an enterprise, and fans must be included in the entire human capital process. At this time, the two concepts of customers and talents can realize role replacement and value replacement. This is the talent customization

thinking going to be established under the conditions of the new Internet economy and sharing economy.

**12.2.17.8 Talent self-management:** In the past, we usually talked about managing and controlling talents. In the future, talents will truly be personalized and managed independently. In the past it was imperative, and it must be done according to the process and standards. The future is a process from "want me to do it" to "I want to do it" to "we do it together" and "we play together". This is also the thinking of self-management of talents, that is, talents are not only managing their abilities and knowledge, but also managing their psychology. Therefore, talents must not only be responsible for their own abilities, but also need to make self-investment and management, but also to stimulate their inherent potential and maximize value creation. This is an era when talents have truly transitioned to the real value added of independent management.

**12.2.17.9 Cross-border thinking of talents:** From a single talent structure to a cross-border talent combination, especially the current industrial ecology and organizational ecology of enterprises are completely cross-border. In the past, all agribusinesses were from farmers, and the human resource management field was all related to human resources. However, in the future, any organization will restructure the system around the value provided by customer needs. In such a value reconstruction system, talents are completely cross-border, the knowledge structure is cross-border, the combination of talents is cross-border, and the distributed management of cross-border talents is realized through different platforms. The front-line employees must also develop from a single professional ability to a single-soldier comprehensive combat ability. At this time, only through the crossover of talents and the formation of new talent teams and talent combinations can the comprehensive ability of value creation be produced.

**12.2.17.10 Talent Grey thinking:** The grey thinking of talent management means that in such an open and inclusive new ecological organization system, all kinds of talents must be integrated into it, and the culture of the entire organization must be tolerant and open, and it must allow individuality to be displayed at this time. We can't ask for full blame for talents, especially in the era when we need to give play to every individual's innovative spirit, we must allow employees to make mistakes and allow employees to fail. At this time, people cannot be distinguished from black and white, they need to have grey scales, and those with outstanding advantages also have outstanding shortcomings. Top innovative talents are paranoid with personality defects. This

requires tolerance to talents, compromises, and an organization that can Use faulty people, defective people, and imperfect people. Under these conditions, our entire human resource management must move from the past black and white to grey thinking. However, grey scale does not mean that there are no principles and no rules. It is based on the vision that everyone recognizes, the full play of the personality based on the game rules that everyone recognizes, and truly respects everyone's unique value creation ability. The atmosphere of the entire organization allows mistakes and failures.

### **12.3 SELF CHECK QUESTIONS**

**12.3.1** What is flat organization?

**12.3.2** What is learning organization?

**12.3.3** Explain Organization without boundaries?

### **12.4SUMMARY**

Today's companies need to adapt to the complex and uncertain external environment, to respond to the rapidly changing needs of consumers, and to seize the opportunities for the development of the Internet and the knowledge economy. Technology and the Internet are both the foundation of future leadership development and the driving force for change. The digital revolution has just begun and technology will increasingly influence the behavior of people and the functioning of organizations. We live in a complex and rapidly changing society. That requires our organizations to have a great deal of flexibility and adaptability to quickly anticipate situations, needs and expectations. We work with the awareness that every organization is unique and at the same time part of a larger whole. People play a vital role. Only when they move along are teams and organizations are able to operate decisively.

### **12.5 ANSWERS TO SELF CHECK QUESTIONS**

**12.3.1** Due to the application of the Internet technology in organizations and the modernization of the organization's information collection, sorting, transmission and control methods, the pyramid traditional hierarchical structure is evolving to a flat organizational structure with fewer levels.

**12.3.2** Organizations in the era of knowledge economy must continue to learn, and organizations must use a knowledge base that can promote learning and experimentation at all levels to support it.

**12.3.3** The organizational boundary will be broken, and organizational breaking and cross-border will become a fashion of organizational change. Exceeding industry boundaries, breaking organizational boundaries, organization without boundaries, and cross-border will become the new normal of organizations.

## **12.6 REVIEW QUESTIONS**

### **Short Questions**

1. What is the Significance of predicting future of Organizational Development?
2. Definition of Flat Organization.

### **Long Questions**

1. What are the likely future scenarios of Organizational Development?
2. What is People-oriented Organization and Management?
3. Discuss how the technology is going to shape the future of organizations.

## **12.7 SUGGESTED READINGS**

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