PGDHRM (S2) 02
Exam. Code: OCD

Organisational Change and Development

SEMESTER 2

POST GRADUATE DIPLOMA IN HUMAN RESOURCE MANAGEMENT

BLOCK 2



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August, 2019 ISBN: 978-93-89123-98-2

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Printed and published by Registrar on behalf of the Krishna Kanta Handiqui State Open University.

Headquarters : Patgaon, Rani Gate, Guwahati-781 017
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The university acknowledges with thanks the financial support provided by the **Distance Education Bureau, UGC** for the preparation of this study material.

PG DIPLOMA IN HUMAN RESOURCE MANAGEMENT

Organisational Change and Development

Block 2

DETAILED SYLLABUS

UNIT 9: Team and Intergroup Development Interventions **Pages: 143-155**

Team Building Interventions: Introduction, Types of Team-Building Interventions and Intergroup Interventions

UNIT 10: Human Resource Interventions **Pages: 156-174**

HRM Interventions, Goal Setting its Characteristics, Application, Management by Objectives, Effects of Goal Setting and MBO, Performance Appraisal, Reward Systems, Structural and Motivational Features of Reward Systems, Career Planning and Development, Managing Workforce Diversity and Employee Wellness

UNIT 11: Structural Interventation **Pages: 175-192**

Socio-technical Systems, Self-Managed Work Teams, Stages of Socio-Technical Systems, benefits of Socio-technical Systems, Techno-structural Interventions, Types of Techno-structural Interventions and Physical Settings and OD

UNIT 12: Strategic Interventions **Pages: 193-214**

Integrated Strategic Change, Trans-organisational Development, Merger and Acquisition, Culture Change, Self-Designing Organisations, Organisation Learning and Knowledge Management, Confrontation Meetings, System 4 Management and Learning Organisations

UNIT 13: Organisational Learning **Pages: 215-231**

Learning Organization, Senge's Approach, Nonaka and Takeuchi's Approach, Executive View on Organizational Learning, Reality Checklist and Seven Steps of Initiating Organizational Learning

UNIT 14: Training Experience **Pages: 232-241**

Sensitivity or T group training, Behavioural Modeling, Career Planning Intervention and Coaching and Mentoring

UNIT 15: Future of OD **Pages: 242-256**

Organisation Development and Globalization, Emerging Trends in OD, Creating whole system change, Using OD to facilitate partnerships and alliances, Enhancing constant learning and Trends within the Organization

BLOCK INTRODUCTION

This is the second block of the course 'Organisational Change and Development'. The Block is divided into 7 units which are related to the differnt concepts of Organisational Development.

This block comprises of the following seven units:

The *ninth unit* introduces us to Team Building Interventions: Introduction, Types of Team-Building Interventions and Intergroup Interventions. The *tenth unit* gives us a broad idea on the concepts of HRM Interventions, Goal Setting its Characteristics, Application, Management by Objectives, Effects of Goal Setting and MBO, Performance Appraisal, Reward Systems, Structural and Motivational Features of Reward Systems, Career Planning and Development, Managing Workforce Diversity and Employee Wellness. The *eleventh unit* gives us an idea on the Concept of Socio-technical Systems, Self-Managed Work Teams, Stages of Socio-Technical Systems,benefits of Socio-technical Systems, Techno-structural Interventions, Types of Techno-structural Interventions and Physical Settings and OD. The *twelvlth unit* will help us in knowing Concept of Structure, Structure and Strategy, Stages of Development of Organizations, Types of Organizational structures, Organizational Design and Change; Information system and Control system and Reward system. The *thirteenth unit* gives us a broad idea on Learning Organization, Senge's Approach, Nonaka and Takeuchi's Approach, Executive View on Organizational Learning, Reality Checklist and Seven Steps of Initiating Organizational Learning. The *forteenth unit* will help us in understanding the Sensitivity or T group training, Behavioural Modeling, Career Planning Intervention and Coaching and Mentoring. The *fifteenth unit* gives us an idea on Concept of Organisation Development and Globalization, Emerging Trends in OD, Creating whole system change, Using OD to facilitate partnerships and alliances, Enhancing constant learning and Trends within the Organization

The Block is devided into seven units:

UNIT 9: Team and Intergroup Development Interventions
UNIT 10: Human Resource Interventions
UNIT 11: Structural Interventation
UNIT 12: Strategic Interventions
UNIT 13: Organisational Learning
UNIT 14: Training Experience
UNIT 15: Future of OD

Each unit of this blocks includes some along-side boxes to help you know some of the difficult, unseen terms. Some "EXERCISES" have been included to help you apply your own thoughts. You may

find some boxes marked with “LET US KNOW”. These boxes will provide you with some additional interesting and relevant information. Again, you will get “CHECK YOUR PROGRESS” questions. These have been designed to self-check your progress of study. It will be helpful for you if you solve the problems put in these boxes immediately after you go through the sections of the units and then match your answers with “ANSWERS TO CHECK YOUR PROGRESS” given at the end of each unit. You in making your learning more active and efficient. And, at the end of each section, you will get “CHECK YOUR PROGRESS” questions. These have been designed to self-check your learning.

UNIT 9: TEAM AND INTERGROUP DEVELOPMENT INTERVENTIONS

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Team Building Interventions

9.4 Types of Team-Building Interventions

9.5 Intergroup Interventions

9.6 Let Us Sum Up

9.7 Further Reading

9.8 Answers to Check Your Progress

9.9 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit, you will be able:

- learn about team-building interventions and their importance
- discuss the various types of team-building interventions
- learn about intergroup interventions
- discuss the different intergroup interventions.

9.2 INTRODUCTION

In the earlier units we discussed about the various aspects related to the concepts of organisational development, the role of OD practitioners, process of OD, values and ethics in OD. In this we shall discuss the team building interventions. We know that, *Organizational Development Interventions* are structured program designed to solve a problem, thus enabling an organization to achieve the goal. These *intervention* activities are designed to improve the organization's functioning and enable managers and leaders to better manage their team and organization cultures. An effective team develops ways to share leadership roles and ways to share accountability for their work products, shifting the emphasis from the individual to several individuals within a team.

In this unit we will discuss the team-building interventions and their importance. We will also get a fair idea about the various types of team-building interventions. At the end of the unit we will learn about intergroup interventions and the different intergroup interventions.

9.3 TEAM BUILDING INTERVENTIONS

In any organization, teams are the most important element as the success of an organization depends on the smooth functioning of its teams. A team is a small group of people with complementary skills, who share a common goal or purpose and hold themselves mutually accountable for their actions. Most of the works in organizations are done by teams so the OD techniques for understanding and improving team processes are very important interventions to improve the effectiveness of various teams within an organization. The team building interventions mainly concentrate on four areas which are diagnosis, achievement of tasks, team relationships and team and organization processes. These interventions helps the teams to improve the way they achieve their tasks, help the members to improve their interpersonal and problem-solving skills and increase the performance of the team.

9.4 TYPES OF TEAM-BUILDING INTERVENTIONS

A few team-building interventions are discussed below:

1) **The Formal Group Diagnostic Meeting:** The formal group diagnostic meeting is a type of intervention where a group tries to critically analyse their performance. They try to find out whether they are going in the right direction, their strengths and weaknesses and what are the problem areas on which they should work. The process starts with the superior of a group discussing the idea with a consultant and if they decide that there is a real need for such a meeting then they discuss the idea with group to find out their reactions.

   If the group agrees, then it decides a particular day for the meeting. Before the meeting the consultant may collect data from the members

by interviewing them and asking them questions related to the problems areas, their relationships with each other or what are the opportunities for the group. The data gathered is discussed in the meeting. The data may be presented to the whole group together and allow them to discuss or break the group into smaller groups where more intensive discussion can take place and ultimately the smaller groups report to the total group. Another method is to pair two individuals and allow them to discuss their ideas with each other and report back to the total group.

After the data is shared throughout the group, the issues are identified and grouped in categories like communication problem, goal-setting problem etc. Next action steps are developed. The main aim of a formal group diagnostic meeting is to bring out problems in the open and decide how to take action steps. The implementation of taking action part is decided in later meetings.

The main advantage of this meeting is that it allows everyone to participate and helps to identify the problems of a group and plan future course of action. It is also time-saving.

2) **The Formal Group Team-Building Meeting:** The formal group team-building meeting aims to improve the effectiveness of a team by making the team analyse its own performance and develop strategies to improve its functioning.

The meeting is generally held away from the work place. The leader of the group along with a consultant initiates the process by collecting information before the meeting on leadership styles, communication patterns, problems to effective group functioning and presents the data to the group on the day of the meeting. The data is divided into different themes. The group discusses the data, prioritizes the important issues and decides how to solve the problems. Action steps are developed and responsibilities are divided and target date is fixed for completing the responsibilities. Later follow-up meetings are held to find out if the action plans were successful in bringing the desired outcome.

3) **Process Consultation Interventions:** As defined by Schein, Process Consultation is a set of activities on the part of the consultant, which help the client to perceive, understand and act upon process events which occur in the client's environment. It 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 arise from process events. A few examples of important organizational processes are decision-making process, communication process etc. Process consultant helps teams to diagnose the nature and extent of their problems and to work together by learning to solve their own problems.

The process consultation intervention may be of the following types–

a) **Agenda-setting interventions which includes:**
   - Questions which direct attention to interpersonal issues
   - Agenda review and testing procedures
   - Meetings devoted to interpersonal processes

b) **Feedback of observation or other data which includes:**
   - Feedback to groups during process analysis or regular work time
   - Feedback to individuals after meetings or data-gathering sessions

   The consultant in order to give feedback to group must observe relevant events, ask proper questions and make sure that the feedback is given in a proper way so that it is useful.

c) **Coaching or counselling** of individuals or groups which can help them to learn to observe and process their own data and identify their own problems.

4) **Role Analysis Technique:** The role analysis intervention is designed to clarify role expectations and obligations of team members to improve team effectiveness (French & Bell, 1978). Role is the set of behaviours or attitudes linked with a particular position in a group.

Individuals in an organization occupy different specialized roles in which they show certain behaviours. But the role incumbent may not have an idea of the behaviours expected from his role by others or what others can do to help the role incumbent fulfil his role effectively. So, the role analysis technique suggested by Dayal and Thomas helps to solve this problem in which role incumbents along with team members define role requirements through a series of steps. This intervention is based on the belief that consensual agreement about group members role will result in more effective teams.

The steps in role analysis technique are as follows–

a) **Analysis of the main role (role incumbent):** In this step, the main role (role incumbent) is defined along with its duties, behaviours as perceived by the role incumbent. Other group members add or delete duties and behaviours from the list until both role incumbent and group members are satisfied with the role definition.

b) **Role incumbent's expectations of others:** Here, the role incumbent's expectation of others is examined. The incumbent list his expectations of other roles in the group that affect his performance. The expectations are discussed and modified till everyone agrees.

c) **Role expectation of other members:** In this step, the group members describe what they expect and want from the role incumbent in the main role. These expectations are discussed, modified and agreed upon by the role incumbent and others.

d) **Role Profile:** Here, the role incumbent takes the responsibility of making a written summary of the role called a role profile.

e) **Follow up:** The written role profile is reviewed in following meetings as up gradation may be necessary.

This intervention is a very useful technique to increase team effectiveness as mutual demands, expectations and obligations of interdependent team members are openly discussed and agreed upon. It reduces role uncertainity and leads to increased commitment to the role.

5) **Role Negotiation Technique:** The role negotiation technique was developed by Roger Harrison. It is useful in situations when the effectiveness of a team is dependent on behaviour of people that they are not willing to change as it would lead to loss of power. It involves a series of controlled negotiations between parties in which each party agrees to change certain behaviours in exchange for changes in behaviour of the other party. This technique helps to improve the work behaviour of individuals and make a team more effective.

   The role negotiation technique can be conducted within one or two days. It generally consists of the following steps:

   a) **Contract Setting:** In this step, each member prepares a list for each other member stating all their expectations from the other members and it is written down. The individuals negotiate with each other to arrive at a written contract of what behaviours they are going to change.

   b) **Issue Diagnosis:** Here, each individual fills out a issue diagnosis form for each other person in the group where it's stated what he would like the other to do more, to do less or remain unchanged. These messages are exchanged among all and posted on the wall.

   c) **Negotiation Period:** Here, the members are divided into pairs to negotiate. Two individuals discuss the most important behaviour changes they want from the other and the changes they are themselves willing to make in return. The negotiated agreements are written down.

6) **The Appreciations and Concerns Exercise:** This intervention is useful when lack of appreciation or avoidance of confrontation of concerns is the drawback in the interaction among group members. This problem can be solved with the help of a consultant who calls the group members for a meeting. The consultant asks each member to note down three appreciations and two minor concerns related to each other member of the group. The sheets are posted on the

walls and members are asked to read out what is written about them. This exercise can help in encouraging and motivating team members as they feel good when they are appreciated and come to know about what issues their team members may have with them and try to resolve the issues.

7) **Responsibility Charting:** The responsibility charting technique is a simple and effective intervention for improving the functioning of teams by clarifying who is responsible for what on various actions and decisions. It is usually done in the context of a work team. A responsibility charting session involves discussing each decision or action and assigning responsibility to specific individuals. It is also decided who are the people who may approve or veto the work and the people who will help in the work in a supporting role. This technique can help in enhancing the performance of a team as responsibilities are clearly chalked out.



CHECK YOUR PROGRESS

Q.1: What is a team?

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Q.2: Name a few team building interventions?

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Q.3: What is a role analysis technique?

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9.5 INTERGROUP INTERVENTIONS

One of the most important areas of OD interventions is how to improve the relations between interdependent work groups. Conflict between groups is not desirable for any organization as it may lead to low productivity. These interventions try to bring out problems between groups in the open and help in joint problem solving. A few OD interventions for dealing with intergroup problems are discussed below:

1) **Intergroup Team-Building Intervention:** The intergroup team-building intervention developed by Robert Blake, Herb Shepard and Jane Mouton consists of the following steps:

   Step 1: The leaders of the two groups which are having problems with each other agree that they want to resolve the problems between them and decide the time and place for a one or two day session.

   Step 2: On the day of the meeting, the two work groups sit in two separate rooms and prepare two lists–

   - List A– Their thoughts and perceptions of the other group
   - List B– They try to predict how the other group sees them

   Step 3: The two groups meet and share their lists with the help of a consultant.

   Step 4: The two groups return to their separate rooms and discuss what they have learned about themselves and the other group. They prepare a list of priority issues that need to be resolved between the two groups.

   Step 5: The groups again meet and share the new list with priority issues and make one consolidated list. Together they decide on what actions to take to resolve the issues and assign responsibilities.

   Step 6: A follow-up meeting of the groups is held at a later date to find out the progress of the groups on the various actions plans. It helps to detect loopholes and correction in deviations if any from the original plans.

The intergroup team-building intervention helps to reduce dysfunctional competition, misunderstanding between groups and lead to improved communication, greater cooperation between groups and ultimately increase organizational effectiveness.

2) **Organization Mirror Intervention:** The organization mirror intervention helps work groups to get feedback on how other organizational groups perceive them. It helps to improve the relationships between groups and increase the intergroup work effectiveness. In this intervention the following events take place–

- An organizational group that is facing difficulties with other work related groups request some key representatives from the other groups to come for a meeting and provide feedback on how they perceive the host group. Generally, a consultant interviews these key people prior to the meeting to collect data and find out the nature of the problem.
- In the meeting, the outsiders 'fishbowl' to discuss the data with the consultant. Fishbowl is a group seating method in which there is an inner circle of chairs for people who talk and an outside circle of observers. The host unit observe from outside.
- The host group members listen and learn from the discussion. After this the host group members fishbowl and discuss what they have heard and try to understand their problem.
- Next smaller subgroups are formed of both host group and invited participants. They are asked to identify the most important changes needed to improve the effectiveness of the host group. After identifying the main problems, the subgroups report to the total group and form a master list and decide action plans, assign tasks and target dates are set for completion.

This intervention helps in getting feedback needed by a group to improve its effectiveness and relation with other work related groups.

3) **Third Party Intervention:** As per Walton, a third part usually an outside consultant can help to increase communication and solve intergroup problems. A main feature of this intervention is confrontation– the

two parties must agree to confront the fact that conflict exists between them. The third-party must be able to diagnose conflict situations. This technique involves achieving increased understanding of the issue and discovering alternatives for resolving the conflict.

The third party tries to resolve conflicts between two parties through negotiations and discussion between the groups by providing reassurance and support and ensuring the following points–

- Ensuring that each party is motivated to resolve the conflict
- Balancing the situational power of both the parties
- Coordinating the confrontation efforts i.e. readiness to confront must occur at the same time for both parties
- The third party must provide reassurance and support and decrease the risks linked with openness.



CHECK YOUR PROGRESS

Q.4: What is the importance of intergroup interventions?

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Q.5: What is organization mirror intervention?

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Q.6: What is the third party intervention?

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9.6 LET US SUM UP

Team-building interventions are very important OD interventions as they help in increasing the effectiveness of teams in an organization. These interventions helps the teams to improve the way they achieve their tasks, help the members to improve their interpersonal and problem-solving skills and increase the performance of the team. A few team building interventions discussed in this unit are the formal group diagnostic meeting, the formal group team-building meeting, process consultation interventions, role analysis technique, role negotiation technique, appreciations and concerns exercise and responsibility charting.

Intergroup OD interventions aim to bring out in the open the underlying problems between groups and help in joint problem solving and leads to improved communication. The intergroup OD interventions discussed in this unit are–

- The intergroup team building intervention by Blake, Shepard and Mouton which helps to reduce conflict between two groups and leads to discussion and action planning to solve the problems.
- The organization mirror intervention helps work groups to get feedback on how other organizational groups perceive them. It helps to improve the relationships between groups and increase the intergroup work effectiveness.
- Third party intervention involves a consultant or another party which tries to resolve conflict between two groups or parties through confrontation tactics.



9.7 FURTHER READING

1) Anderson, D. L. (2013). *Organization Development: The Process of Leading Organizational Change*. London: Sage Publishing.

2) Ramnarayan, S. and Rao, T. V. (2008). *Organization Development: Interventions and Strategies*. India: Response Books.



9.8 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: A team is a small group of people with complementary skills, who share a common goal or purpose and hold themselves mutually accountable for their actions.

Ans. to Q. No. 2: A few team building interventions are the formal group diagnostic meeting, the formal group team-building meeting, process consultation interventions, role analysis technique, role negotiation technique, appreciations and concerns exercise and responsibility charting.

Ans. to Q. No. 3: The role analysis technique is designed to clarify role expectations and obligations of team members to improve team effectiveness. In this method a key role is selected for analysis and the role incumbent and team members discuss their expectation from that role and how to make that role more effective.

Ans. to Q. No. 4: Intergroup interventions helps to improve the relations between interdependent work groups. Conflict between groups is not desirable for any organization as it may lead to low productivity. These interventions try to bring out problems between groups in the open and help in joint problem solving.

Ans. to Q. No. 5: The organization mirror intervention helps work groups to get feedback on how other organizational groups perceive them. Here a host group tries to understand their problems through feedback received from key members of other groups with which they are related in their work.

Ans. to Q. No. 6: Third party intervention involves a consultant or another party which tries to resolve conflict between two groups or parties through confrontation tactics.



9.9 MODEL QUESTIONS

Q.1: Discuss the importance of team building interventions in organization development

Q.2: Discuss a few team building interventions.

Q.3: What is the difference between role analysis technique and role negotiation technique?

Q.4: Explain the process of role negotiation intervention.

Q.5: Discuss the importance of intergroup interventions. Explain a few intergroup interventions.

Q.6: What is organization mirror intervention? Explain its advantages.

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UNIT 10: HUMAN RESOURCE INTERVENTIONS

UNIT STRUCTURE

10.1 Learning Objectives

10.2 Introduction

10.3 Human Resource Interventions

10.4 Goal Setting

- 10.4.1 Characteristics of Goal Setting
- 10.4.2 Management by Objectives
- 10.4.3 Effects of Goal Setting and MBO

10.5 Performance Appraisal

- 10.5.1 The Performance Appraisal Process
- 10.5.2 Application Stages of Performance Appraisal
- 10.5.3 Effects of Performance Appraisal

10.6 Reward Systems

- 10.6.1 Design Features of Reward System

10.7 Career Planning and Development

- 10.7.1 Career Planning and Development Interventions

10.8 Managing Workforce Diversity

10.9 Employee Wellness

10.10 Let us sum up

10.11 Further Reading

10.12 Answers to check your progress

10.13 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- learn the HRM interventions
- discuss the goal setting and goal-setting interventions
- describe the performance appraisal system and reward systems
- discuss the career planning and development
- describe the managing the workforce diversity.

10.2 INTRODUCTION

In the previous unit we discussed the team building interventions. In this unit, we are going to discuss the Human Resource Interventions. Human resource management interventions focus on individuals' performance in the organization. In this unit we will get the ideas about the goal setting and goal-setting interventions, the performance appraisal system and reward systems, discuss the career planning and development and describe the managing the workforce diversity.

10.3 HUMAN RESOURCE INTERVENTIONS

Human resource interventions are rooted in labour relations and in the applied practices of compensation and benefits, employee selection and placement, performance appraisal, career planning and development, and employee diversity and wellness. In recent years interest has grown in integrating human resources management with OD. Practitioners in this area typically focus on the people in organizations, believing that organizational effectiveness results from improved practices for integrating employees into organizations. Some human resources management interventions are goal setting, performance appraisal, reward systems, career planning and development, managing workforce diversity and employee stress and wellness.

10.4 GOAL SETTING

Goal setting involves managers and subordinates in jointly establishing and clarifying employee goals. In some cases, such as management by objective (MBO), it can help in employee counselling and support. The process of establishing challenging goals involves managing the level of participation and goal difficulty. Once goals have been fixed, the way they are measured is an important determinant of member performance.

Goal setting can affect performance in many ways. It influences what people think and do by focusing their behaviour in the direction of the goals, rather than elsewhere. Goals can energize behaviour motivating

people to put the effort required to achieve difficult goals. Goal-setting process and interventions to improve them are common and have been implemented in most organizations.

10.4.1 Characteristics of Goal Setting

Goal-setting interventions and practices works equally well in both individual and group settings. Two major processes of goal-setting that affect positive outcomes are: establishment of challenging goals and clarification of goal measurement.

a) **Establishing Challenging Goals:** The goal set by an organization must fit its business strategy. The first element of goal-setting is establishing challenging but realistic goals to which there is a high degree of commitment. More difficult goals on one hand can lead to increased effort and performance but sometimes may be de- motivating and lead to unethical behaviour. One method to increase employees acceptance of difficult goals is to collect benchmarks of best practices. When employees see that other people, groups or organizations have achieved a specified level of performance, they are more motivated to achieve that level themselves. Making employees participate in goal-setting can increase employee involvement in achieving them.

b) **Clarifying Goal Measurement:** The second part in the goal-setting process involves specifying and clarifying the goals. Workers perform higher when they are given objective goals which are measurable. Clarifying goal requirements also requires that employees and supervisors negotiate the resources necessary to achieve the goals like time, equipments, raw materials and access to information.

10.4.2 Management by Objectives

Management by Objectives is a common form of goal setting intervention used by organizations. This method tries to align personal goals with business strategy by increasing communications

and shared perceptions between the manager and subordinates. All organizations have goals and all managers also have goals and objectives. In many cases, the organizational goals are not stated clearly, and managers and subordinates have misunderstandings about what those goals are. MBO approach tries to resolve these differences in perceptions and goals. It is characterized by systematic and periodic manager-subordinate meetings designed to achieve organizational goals by joint planning of the work, periodic review of accomplishments and mutual problem solving that arise in the course of getting the job done. MBO process gives attention to individual's personal and career goals also.

There are five basic steps in implementing an MBO process:

1) **Work Group Involvement:** Here, the members of the primary work group define overall group and individual goals and establish action plans for achieving.
2) **Joint manager-subordinate goals setting:** In the next step, attention is given to the job duties and responsibilities of individuals. Roles are carefully examined with respect to their interdependence with roles of others outside the work group.
3) **Establishment of action plans for goals:** Here the subordinates develop action plans for achieving goals in a meeting with their immediate manager.
4) **Establishment of criteria of success:** At this step, the manager and subordinates decide the yardsticks or success criteria for the established goals so that the goals can be measured.
5) **Review:** The manager review the work progress either in the larger group or with the subordinate.

10.4.3 Effects of Goal Setting and MBO

Goal setting have been found to be an effective OD intervention. It has produced positive results in various ranges of jobs and organizations. But top-management support is the most important factor in implementing an MBO program. Proper evaluation

and revision of the MBO program results in greater use of and satisfaction with the program.

10.5 PERFORMANCE APPRAISAL

Performance appraisal is a feedback system that involves the direct evaluation of individual or work group performance by a supervisor, manager or peers. Most organizations have some kind of evaluation system that is used for performance feedback, pay administration and counselling and developing employees. Performance appraisal is an important human resource management intervention which represents an important link between goal-setting and reward systems.

10.5.1 The Performance Appraisal Process

Performance appraisals are conducted for different purposes like pay and promotion decisions and human resources planning and development. In traditional appraisal methods, supervisors and managers rated the performance of their subordinates. The modern methods expand the appraiser's role beyond managers to include multiple raters like peers, appraise and other's having direct exposure to manager's or employee's performance. This is known as 360-degree feedback. The newer methods also increase the role of the appraisee which involves them in all phases of the appraisal process. They are involved in gathering data on performance and identifying training needs which increases their acceptance and understanding of the feedback process.

10.5.2 Application Stages of Performance Appraisal

The process of designing and implementing a performance appraisal system has received increasing attention. OD practitioners have suggested the following six steps:

1) **Select the right people:** For designing a performance appraisal process, members representing a variety of functions need to

be involved so that the essential strategic and organizational issues are addressed.

2) **Diagnose the current situation:** A clear picture of the present appraisal process and its strengths and weaknesses is needed to design a new one. Diagnosis involves assessing the contextual factors (business strategy, workplace technology and employee involvement), current appraisal practices and satisfaction with them, work design and the current goal-setting and reward system practices.
3) **Establish the system's purposes and objectives:** The ultimate purpose of an appraisal system is to help the organization achieve better performance. Potential purposes of an appraisal system may include serving as a basis for rewards and promotion, human resource planning, performance feedback and improvement.
4) **Design the performance appraisal system:** The criteria for designing an effective performance appraisal system includes timeliness, accuracy, acceptance, understanding, focus on critical control points and economic feasibility.
   a) **Timeliness:** This criterion recognizes the time value of information. Before performance evaluation, individuals need to get performance information so that problems can be solved.
   b) **Accurate:** Information contained in performance feedback has to be accurate else employees will not get the real picture and problems in their behaviour will not be solved.
   c) **Acceptance:** The performance feedback must be accepted by the people who use it and this can be done by increasing their participation in the goal-setting process.
   d) **Understanding:** Information contained in the appraisal system needs to be understood by the employees if it is to have problem-solving value. Employees can be trained to understand the operating, financial and human resources data that will be fed back to them.

e) **Critical Control Points:** The appraisal information received by employees must be aligned with critical or important control points like business strategy, employee performance and reward system. For example if business strategy is to reduce cost but employees are measured and rewarded on the basis of quality then employees may ignore cost reduction factor in order to produce better quality products.

f) **Economic Feasibility:** An appraisal system should be cost effective, i.e., the costs involved in collecting and feeding back performance information should not exceed the benefits derived from using the information.

5) **Experiment with implementation:** A pilot test should be conducted with a new process of performance appraisal to find out any drawbacks in the design before implementing it throughout the organization.

6) **Evaluate and monitor the system:** Evaluation of the appraisal system is important to find out whether human resource department, managers and employees are satisfied with it.

10.5.3 Effects of Performance Appraisal

Performance appraisal process has been found to be effective in managing employee performance towards desired goals and objectives. Performance feedback has been found to be a very effective intervention by researchers which help in improving individual as well as group performance.

10.6 REWARD SYSTEMS

Organizational rewards are powerful incentives for improving employee and work group performance and can produce high levels of employee satisfaction. OD practitioners rely on both intrinsic rewards like enriched job and opportunities for decision making to motivate employee performance as well as extrinsic rewards like base pay, stock options, bonuses, profit sharing, promotion and other benefits. They are of the viewpoint that

rewards should be in line with other organizational systems and practices like organization's structure, top managements human relations philosophy and work designs. The features of the reward system should contribute to employee fulfilment and organizational effectiveness.

10.6.1 Design Features of Reward System

The structural features of a reward system represent important design choices available to human resources and other senior managers. It is important to understand how features of reward system affect performance. The value expectancy model states that employees will put effort to achieve performance goals that they believe will lead to outcomes or rewards they value.

Based on value expectancy theory, the ability of rewards to motivate desired behaviours depends on these five factors:

1) **Availability:** For rewards to reinforce desired performance, they must not only be desirable but also available. Too little of a desired reward is no reward at all. For example, pay increases are desirable but unavailable and too little increase may result in negative results.
2) **Timeliness:** Giving rewards timely is important else its motivating potential gets reduced.
3) **Performance contingency:** Rewards should be closely linked with particular performances because the clearer the link between performance and rewards, the better is the ability of rewards to motivate desired behaviour. For example, if goal is met, reward is given and if goal or target is missed, reward is reduced or not given.
4) **Durability:** Intrinsic rewards like autonomy tend to last longer than extrinsic rewards like increase in salary which is quickly spent.
5) **Visibility:** A reward system must be visible to organization members, i.e., they must be able to see who is getting the rewards. Visible rewards, such as placement on a high –status project, promotion, increased authority, send signals to employees that rewards are available and related to performance.

Reward system interventions are used to bring out and maintain desired levels of performance. If rewards are available, durable, timely, visible and related to performance, they can support organizational goals, work designs and employee involvement.

Four types of reward systems can be used to reward individual, team or organization performance - skill based pay, pay for performance, gain sharing and promotions. Each system represents a flexible intervention that is effective in improving employee performance and satisfaction.

a) **Skill and Knowledge-Based Pay Systems:** This reward system is individual and job based. Skill-based pay systems must first establish the skills needed for

   Effective operations, identify the optimal skill profile and number of employees needed with each skill, price each skill, develop rules to sequence and acquire skills and develop methods to measure members skill requisition. This system has a number of benefits. They contribute to organizational effectiveness by providing a more flexible workforce and give employees a broader perspective on how the entire plant operates. This flexibility can result in leaner staffing and fewer problems with absenteeism, turnover and work disruptions.

   The drawback of this system is that it is not related to performance and when employees attain all skills then they reach the top end of the pay scale with no higher levels to achieve.

b) **Performance-Based Pay Systems:** In this system reward is linked to performance outcomes. These systems may be individual pay plans, group plans and organization plans. When all criteria are taken into account, the best performance-based pay systems tend to be group and organization bonus plans. These plans are relatively good at linking pay to performance. They promote cooperation and should be used where there is high task interdependence among workers like in assembly lines.

c) **Gain Sharing Systems:** Gain sharing involves paying employees a bonus based on improvements in the operating results of an

organization. These plans tie workers goals to organization's goals. Employees are financially benefitted if they work harder and cooperate with each other to make suggestions and to implement improvements. These plans generally are suitable for small organizations with favourable market conditions, stable market demands, production costs controllable by employees and employee management relations should be open and based on trust.

d) **Promotion Systems:** In order to use promotions as an effective reward intervention, the secrecy surrounding most promotions should be reduced by openly posting about vacancies and encouraging people to nominate themselves. This open posting of job vacancies can increase employee motivation by showing that a valued reward is available and related to performance.

Thus, reward system can be an effective OD intervention leading to improved performance and organizational effectiveness. Two things should be considered while administering the reward system- who should be involved in designing and administering the reward system and what sort of communication should be there regarding rewards. Rewards should be properly communicated to employees. Secrecy related to rewards like how much increase in pay will be received for better performance can reduce motivation.



CHECK YOUR PROGRESS

Q.1: What are the major characteristics of goal setting?

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Q.2: What are the effects of a performance appraisal intervention?

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Q.3: What are the factors which can determine whether a reward will be effective or not?

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10.7 CAREER PLANNING AND DEVELOPMENT

Career planning and development interventions are an important tool in developing and retaining an effective workforce. These interventions provide the resources, tools and processes needed to help organization members plan and achieve their career objectives. A career is the various work-related positions occupied by a person during the course of a lifetime. Career planning is concerned with individuals choosing jobs, occupations and organizations at each stage of their career and career development involved helping employees to achieve their career goals. These two interventions are generally used for managerial and professional employees.

10.7.1 Career Planning and Development Interventions

1) **Realistic Job Preview:** This intervention provides applicants during recruitment process with information regarding whether the job will be consistent with their needs and career plans. This method of providing employees with realistic job preview at the initial stage reduces the chance of employees later becoming demotivated and leaving the organization.

2) **Assessment Centres:** This intervention was designed initially to help organizations select and develop employees with high potential for managerial jobs. Recently, assessment centres have been extended to career development and to select people to fit new work designs or organizational growth. In assessment centres participants are given detailed interview, take several tests of mental ability and participate in individual and group exercises. These participants are assessed by a team of experienced managers and human resource experts who rate them on several items relevant to managerial success and forward the results to management for decisions on promotion.
3) **Job Rotation and Challenging Assignments:** These interventions aim to provide employees with the experience and visibility needed for career advancement. Job rotation helps members develop new skills, knowledge and competencies in new jobs. Challenging assignments help in preventing loss of motivation in older employees.
4) **Consultative Roles:** This role is given to senior employees to help others to develop their careers and solve organizational problems. Such roles are structured around specific projects or problems and involves offering advice and expertise to those responsible for resolving the issues, thus increasing the organization's problem solving abilities. These roles help in moving preretirement managers into support-staff positions so that their experience and skills can also be utilised and other younger employees get the opportunity to occupy their positions.
5) **Developmental Training:** These interventions are the oldest strategies for organizational change. They provide new or existing organization members with the skills and knowledge needed to perform work. It is applicable to all career stages and helps employees to gain the skills and knowledge for successfully fulfilling current job responsibilities. Developmental training interventions help in increasing the skills and knowledge of employees for future purpose also.

6) **Performance Management:** This is an effective intervention which helps in the career planning and development of employees. Performance management system involves giving employees continuous feedback about their performance which is important for their careers.
7) **Work-Life Balance Interventions:** This OD intervention helps employees to better integrate and balance their work and home life. Now-a-days employees are more stressed due to restructuring, downsizing and increased global competition. Work-life balance programs focussing on job scheduling and flexibility, paid and unpaid leaves, employee wellness programs help members to create a balance between work and their personal life.
8) **Phased Retirement:** This intervention provides older employees with an effective way of withdrawing from the organization and establishing a productive leisure life by gradually reducing work hours and moving into full retirement. This phased retirement lessens the reality shock often experienced by those who retire all at once. It helps employees to withdraw emotionally from the organization and also provides opportunities to younger professionals.

10.8 MANAGING WORKFORCE DIVERSITY

Workforce diversity refers to the various differences between people in an organization. These are differences in terms of age, gender, race, culture and value orientations. Diversity results from the people who bring different perspectives to the workplace and have distinct needs, preferences, expectations and lifestyles. It is important for organizations to design human resource systems that address these differences in order to attain and retain a productive workforce.

Workforce Diversity Interventions: The various differences in workforce and the interventions that can be applied to address these differences are–

1) **Age:** OD Interventions like work design, career planning and development and wellness programs can be applied to address age diversity. For older employees work designs can increase knowledge of a job and younger workers will need more challenge and autonomy. Wellness programs can be used to address physical and mental health of all range of employees. Career planning and development programs can help to recognize the career needs of different age group of people. And reward system interventions can provide increased time off and perks for older workers and promotion, pay to attract and motivate the younger ones.
2) **Gender:** A few interventions to address gender issues are work design, reward systems and career development. For example, jobs can be modified to adjust the special demands of working mothers. Reward system interventions like fringe benefits can be modified to offer special leaves to mothers and fathers, child-care options, flexible working hours and health and wellness benefits. Career Development interventions help to maintain, develop and retain a competent workforce.
3) **Race and Ethnicity:** Race is an important issue in diversity interventions especially for organizations who are expanding globally and want to increase diversity among top leaders and board members. Effective diversity management programs can remove racism and unclear selection and promotion criteria which can lead to discrimination.
4) **Disability:** The diverse workforce of an organization consists of disabled workers also. Employing disabled workers needs more health care, new physical workplace layouts, new attitude towards working with disabled and challenging jobs that use a variety of skills. OD interventions like work design, career planning and development and performance management can help in integrating the disabled person into the workforce.
5) **Culture and Values:** An organizations diverse workforce includes people from different cultures representing different languages, values, work ethics and norms of correct behaviour. So, the

management practices will have to be designed with various cultural values in mind and support both career and family orientations. OD interventions like employee involvement, reward systems and career planning and development can be used to adjust to cultural diversity.

Thus, workforce diversity interventions can help in managing effectively a diverse workforce especially in large organizations. In order to be more effective it requires the support of senior management and adequate human resource policies to support these interventions.

10.9 EMPLOYEE WELLNESS

Employee wellness includes the health and work and job-related satisfactions of employees. An individual's health is a very important factor of well-being. Other factors like personality traits, stress coping skills also affect overall wellness or well-being. And this wellness is related to productivity, absenteeism and labour turnover also. In today's world employees are highly stressed which reduces their wellness. It is important for organizations to diagnose the causes of stress and apply correct interventions to cope with stress to improve wellness.

The causes of stress in organizations may be the physical environment in which a individual has to work like light, noise, temperature or pollution. Other causes may be role ambiguity, work overload, lack of control or responsibility, poor boss, subordinate or peer relationships, politics or poor HR policies.

The OD interventions for reducing negative stress and improving wellness are discussed below:

1) **Role Clarification:** It is a systematic process for revealing other's expectation and reaching an agreement about the activities of a particular role and it helps employees to better understand the demands of their work roles. Role analysis technique is an effective OD intervention which can be used for role clarification. In this technique, first the relevant people to define a role are called for a meeting. Secondly, the main role holder discusses his perceived job duties and other participants may agree or disagree with him.

Third, after everyone agree on the role, the role holder writes down the activities of the role and distributes a copy to all participants.

2) **Supportive Relationships:** It involves building trust and positive relations among employees, including bosses, subordinates and peers. Supportive relationships are major part of many OD interventions like team building, intergroup relations, employee involvement, goal setting, career planning and development. These relationships help in reducing stress and improving employee wellness.
3) **Work Leaves:** Allowing employees to take paid leaves like vacation, holidays, maternity and paternity leaves and other types of leaves helps to improve wellness.
4) **Health Facilities:** Facilities like gyms, meditation programs, stress management programs, regular medical check-ups helps to keep employees in good health and improve their wellness.
5) **Employee Assistance Programs:** This intervention is a method for helping workers whose personal problems are affecting their performance. These personal problems may be alcohol or drug abuse, problems with child or elder care, grief or financial problems.



CHECK YOUR PROGRESS

Q.4: What are the various career planning and development interventions?

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Q.5: What is workforce diversity?

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Q.6: What is employee wellness and why is it important?

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10.10 LET US SUM UP

- In this unit, the human resource interventions have been discussed which are– Goal Setting, Performance Appraisal, Reward Systems, Career Planning and Development, Managing Workforce Diversity and Employee Wellness.
- The principles contributing to success of goal setting are establishing challenging goals and clarifying methods of measuring goals. A common goal setting intervention is management by objective which involves joint goal setting by superior and subordinate
- Performance appraisal systems provide feedback and information to employees which can be used to improve performance and results. Reward system interventions help to bring out desired performance. The reward should be something which employee value.
- Career Planning and development interventions provide the resources, tools and processes needed to help organization members plan and achieve their career objectives which helps in motivating and retaining employees.
- Workforce diversity interventions help to adjust human resource practices to an increasingly diverse workforce consisting of people of different age groups, gender, disability, culture and values.
- Employee wellness interventions aim to improve the health and satisfaction of employees by reducing negative stress at workplace to increase productivity and reduce absenteeism.



10.11 FURTHER READING

1) French, W., Bell, H. C. and Vohra V. (2013). *Organisation Development*. India: Pearson Education.
2) Ramnarayan, S and Rao,T. V. (2008). *Organization Development: Interventions and Strategies*. India: Response Books.
3) Singh, K. (2010). *Organisation Change and Development*. New Delhi: Excel Books.



10.12 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: The main characteristics of goal-setting interventions are that the goal should be challenging but realistic and employees must be committed towards the goal. And the goal should be objective and measurable.

Ans. to Q. No. 2: Performance appraisal interventions have been found to be effective in managing employee performance towards desired goals and objectives. Performance feedback has been found to be a very effective intervention by researchers which help in improving individual as well as group performance as employees come to know about their performance and weak areas which need improvement.

Ans. to Q. No. 3: The factors which can determine whether a reward will be effective or not are availability of the reward desired by individuals, timeliness of the reward ,how much the reward is linked to performance, the durability of the reward and its visibility to the employees.

Ans. to Q. No. 4: The various career planning and development interventions are realistic job preview, assessment centres, job rotation and challenging assignments, consultative roles, developmental training, performance management, work-life balance interventions and phased retirement.

Ans. to Q. No. 5: Workforce diversity refers to the various differences between people in an organization. These are differences in terms of age, gender, race, culture and value orientations. Diversity results from the people who bring different perspectives to the workplace and have distinct needs, preferences, expectations and lifestyles.

Ans. to Q. No. 6: Employee wellness includes the health and work and job-related satisfactions of employees. An individual's health is a very important factor of well-being. Other factors like personality traits, stress coping skills also affect overall wellness or well-being. And this wellness is important because it is related to productivity, absenteeism and labour turnover also.



10.13 MODEL QUESTIONS

Q.1: Define goal-setting. Discuss the application stages of goal-setting and the effects of goal setting interventions.

Q.2: Discuss a goal-setting intervention commonly used by organizations.

Q.3: Explain in detail the performance appraisal process and its effect on performance.

Q.4: Discuss the various types of reward systems and its effectiveness as an OD tool to improve employee performance and productivity.

Q.5: Explain the design features of reward systems.

Q.6: Explain in detail the various career planning and development interventions.

Q.7: What are the different factors which lead to diversity in workplace and explain the interventions which can help in managing this diversity?

Q.8: What are the major employee wellness interventions? Discuss the role of these interventions in organisational effectiveness.

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UNIT 11: STRUCTURAL INTERVENTIONS

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Socio-Technical Systems

- 11.3.1 Self-Managed Work Teams
- 11.3.2 Stages of Socio-Technical Systems
- 11.3.3 Benefits of Socio-Technical Systems

11.4 Techno-Structural Interventions

11.5 Types of Techno-Structural Interventions

11.6 Physical Settings and OD

11.7 Let Us Sum Up

11.8 Further Reading

11.9 Answers to Check Your Progress

11.10 Model Questions

11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- learn the concept of socio-technical system
- discuss the techno-structural interventions
- describe about the types of techno-structural interventions
- discuss about the relation between physical settings and OD.

11.2 INTRODUCTION

In this unit we will discuss the concept of structural interventions. Structural Intervention deal with an organization's technology (for examples its task methods and job design) and structure (for example, division of labor and hierarchy). These interventions are rooted in the disciplines of engineering, sociology, and psychology and in the applied fields of socio-technical systems and organization design. Practitioners place emphasis both on productivity and human fulfillment.

Let us now discuss the various aspects of structural interventions in the following sections.

11.3 SOCIO-TECHNICAL SYSTEM

Organization development may be referred to as a system approach to change. The Socio-technical systems theory was developed originally at the Tavistock Institute of Human Relations in London and is based on two fundamental principles- an organization is a combined social plus technical system and this system is open in its relation to its environment.

An organization is an open socio-technical system consisting of two independent but related parts. These are–

1) A **social part** which includes the people performing the tasks and the relationships among them
2) A **technical part** which includes the tools, techniques and methods for performing tasks.

The term “socio-technical” signifies that a joint relationship must occur between the social part and technical parts and the word “system” means that this connection results in an integrated whole work and organization. As a socio-technical system consists of social and technical parts, it produces two kinds of results-products like goods and services and social and psychological results like job satisfaction and commitment. The main problem here is how to design the relationship between the two parts so that both outcomes are positive. The socio-technical practitioners design work and organizations in such a manner that both the parts work together producing high quality product as well as providing human satisfaction.

Socio-technical systems are open to their environment i.e. constantly interact with their environment to survive and develop. The environment provides the socio-technical systems with necessary inputs of energy, raw material and information and the socio-technical system provides the environment with products and services. Socio-technical practitioners structure environmental relationships both to protect the system from external disruptions and at the same time to help in the exchange of necessary resources and information.

11.3.1 Self-Managed Work Teams

One of the important interventions or application of Socio-technical approach is self-managed work teams also known as self-directed or high performance work teams. Self-managed teams are generally responsible for a complete product or service or a major part of a larger production process. They control their members work behaviour and make decisions about task assignments and work methods. Generally, the team sets its own production goals based on organizational goals and responsible for services like maintenance, purchasing and quality control. Team members are encouraged to learn many jobs within the team's control and frequently paid on basis of knowledge and skills rather than seniority. Companies like Boeing and General Electric are using self-managed work teams.

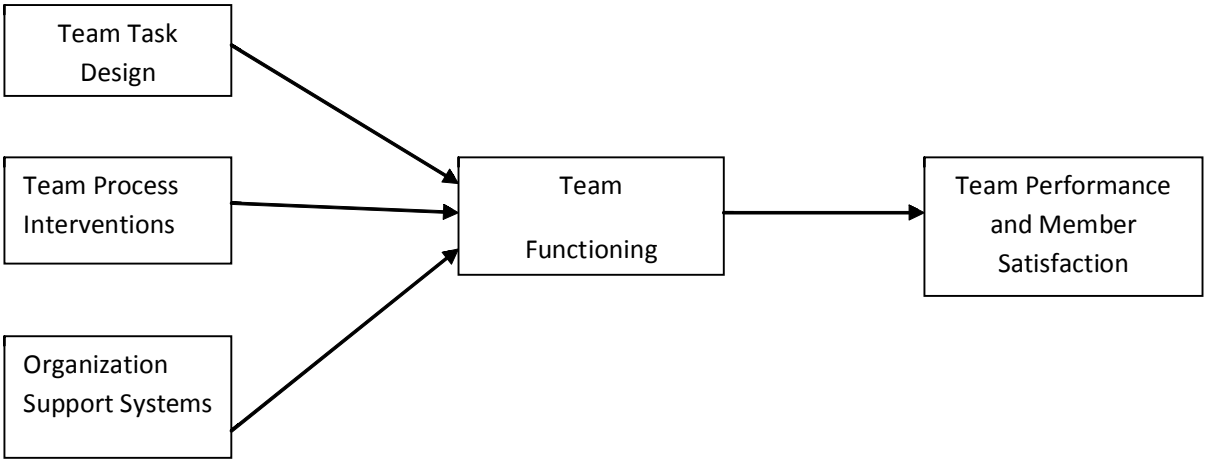


Figure 11.1: Model of Self-Managed Work Teams

The above figure 11.1 is a model of how self-managed teams perform. The team functioning is influenced by three major inputs-team task design, team process interventions and organization support systems.

a) **Team Task Design:** Self-managed work teams are responsible for performing particular tasks, so how well the team is designed for performing tasks can affect how well it functions. The task design links member's behaviour to task requirements and to each other.

b) **Team Process Interventions:** The second main input to team functioning includes team process interventions like process consultation and team building which can resolve problems in teams like poor communication among members ,faulty problem solving and decision making process. Self-managed teams need to be self-reliant so members acquire their own team process skills either by attending training programs and workshops or on the job by working with OD practitioners.

c) **Organization Support Systems:** The final input to team functioning is the extent to which the larger organization is designed to support self-managed work teams. Bureaucratic organizations cannot support self-managed teams.

An organic organization structure, with flexibility among units, few formal rules and procedures and decentralized authority will help in the development of self-managed work teams. Other features like selection of team leaders with good technical and social skills, proper team-based reward practices will encourage team work and self-management.

11.3.2 Stages of Socio-Technical Systems

The work designs of Socio-technical Systems have been implemented in various organizations. The steps of applying or implementing a socio-technical system into an organization include six stages which are discussed below:

1) **Approving the design effort:** In this step, workers receive the approval needed to diagnose their work system and create a proper work design. Management may provide workers with time and sufficient help to diagnose their work system and suggest alternative work structures.

2) **Diagnosing the work system:** This step includes analyzing the work system to discover how it is operating as knowledge of existing operations is the basis for creating a proper work design. Socio-technical practitioners have formed diagnostic models

applicable to work systems that make products or deliver services. These models analyze a system's technical and social parts and assess how well the two fit each other.

3) **Generating adequate designs:** Based on the diagnosis, the work system is redesigned to fit the situation. Generally it leads to formation of self-managed teams but if the diagnosis reveals that tasks are not interdependent then an individual-job work design like enriched job might be more useful.
4) **Specifying support systems:** Organizational support systems may needed to be changed to support new work designs. For example, if self-managed teams are designed then the pay basis have to be changed from individual basis to be based on team performance to help in necessary task interaction among workers.
5) **Implementing and evaluating the work designs:** This stage involves making necessary changes to implement the work design and evaluation of results. Self-managed team implementation may need training workers to gain necessary technical and social skills to perform multiple tasks. Evaluation helps to find out whether the work design is effective or not.
6) **Continuous change and improvement:** The socio-technical system needs to be continuously upgraded and improved to fit with changing conditions and to improve performance.

11.3.3 Benefits of Socio-Technical Systems

Socio-technical systems helps in increasing productivity and technical measures involved in production. At the same time it provides job satisfaction and improves employee commitment. In many organizations, where self-managed teams have been implemented, production costs have decreased through innovations of group members and led to decreased absenteeism, labour turnover and accident rates.

11.4 TECHNO-STRUCTURAL INTERVENTIONS

Techno-structural interventions are those interventions which are aimed at improving an organizations effectiveness through changes in the task, structure and technological subsystems. The increasing competition and fast technological changes are forcing organizations to restructure themselves from rigid bureaucracies to leaner, more flexible designs. Interventions aimed at structural design include moving from traditional ways of dividing the organization's overall work like functional and matrix structures to more flexible structures like customer-centric and network structures. These classes of interventions include changes in the division of the overall work of the organization, who reports to whom, the spatial arrangement of equipment and people, work flow arrangements and changes in communications and authority.



CHECK YOUR PROGRESS

Q.1: What is a Socio-technical system?

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Q.2: What are self-managed teams?

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Q.3: What are Techno-Structural interventions?

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11.5 TYPES OF TECHNO-STRUCTURAL INTERVENTIONS

The types of techno-structural interventions are–

1) **Socio-technical systems and self-managed teams**(already discussed in the above section)
2) **Work Redesign:** This intervention attempts to redesign jobs to improve worker satisfaction and productivity. But redesigning jobs is not easy because there are many variables: the worker, the nature of the work, the organisation climate and the manager's styles. Some of the approaches to redesign jobs are-
   i) **Job Enlargement Theory:** In the 1950s, there was a growing awareness of worker's reaction to their fragmented jobs. Production methods were criticized by management scholars as they were not consistent with human needs. Mass production systems did not provide workers with opportunities to socialize on the job or to satisfy their needs for achievement, self-expression, creativity and control. Routinized and specialized jobs create boredom and monotony which may be related to employee problems like absenteeism, turnover, low morale and low productivity. Job enlargement is an intervention which can help in reducing such problems.

      Job enlargement is an increase in job tasks and responsibilities to make a position or job more challenging. It is a horizontal expansion, which means that the tasks added are at the same level as those in the current position. It involves combining various activities at the same level in the organization and adding them to the existing job. It helps to a large extent in reducing boredom and monotony that arise from performing a fragmented job repetitively.

   ii) **Job Enrichment Theory:** This theory states that jobs should be redesigned to improve the motivators related to a job by permitting employees to achieve increased level of responsibility

and achievement. Employees can be also given proper recognition and career advancement opportunities for a job well done. And the work itself should also be challenging, interesting and meaningful. This makes the employees feel that their work has meaning and is important to the company. There are many methods to improve the motivational factors in a job and they will have to be tailored to fit specific situations. Some of the techniques are giving additional tasks to an employee while providing proper training or allowing employee to make more difficult decisions or giving employees proper information related to their work.

iii) **Job Characteristics Theory:** Another approach to job design is the job characteristics model given J. R. Hackman, G. R. Oldham, R. Janson & K. Purdy (1975). This model attempts and develops objective measures of job characteristics which can directly affect employee attitudes and work behaviour. As per this model, work motivation and satisfaction are affected by five core dimensions which are skill variety, task identity, task significance, autonomy and feedback.

a) **Skill Variety:** It refers to the degree to which a job requires a variety of different activities that involve the use of a number of different skills and talents. Tasks that require a person to use a variety of skills and when those skills are challenged are usually seen as meaningful by employees.

b) **Task Identity:** It refers to the degree to which the job requires completion of a whole or identifiable piece of work; doing a job from beginning to end with a visible outcome. Employees feel that a task is more meaningful when it involves producing the entire product rather than a small component.

c) **Task Significance:** It refers to the degree to which a job has a significant impact on the lives of other people whether in the same organization or in the external environment. An employee feels that his work is more meaningful when he perceives that the result of his work has significant impact on other people.

d) **Autonomy:** It refers to the degree to which a job provides freedom to the individual in scheduling the work and deciding the work methods to carry it out. Autonomy leads to higher commitment from the employees as they take ownership for their actions.

e) **Job Feedback:** It refers to the degree to which carrying out the work activities required by the job results in the individual obtaining direct and clear information or feedback about the effectiveness of his or her performance.

3) **Quality of Work Life (QWL):** This intervention tries to improve the quality of life for the worker. It is a process through which an organization enables its members at all levels to actively participate in shaping the organizations environment, methods and outcomes. As per Nadler and Lawler, QWL is a way of thinking about people, work and organizations. Its distinctive elements are– (i) a concern about the impact of work on people as well as on organizational effectiveness, and (ii) the idea of participation in organizational problem-solving and decision making. It is not limited to changing the context of the job but also includes humanizing the work environment in order to improve worker's dignity and self-esteem.

Richard E Walton has explained quality of work life in terms of eight broad conditions of employment that constitute favourable quality of work life. These criteria's are–

i) **Adequate and fair compensation:** Good pay which is compatible with work and meet society's standard or the worker's standard is a criterion for improving quality of work life.

ii) **Safe and healthy working conditions:** Safe working conditions and reasonable hours of work are other criteria for measuring QWL.

iii) **Immediate opportunity to use and develop human capacities:** Whether the workers work allows the use of a wide range of skills or if the work allows autonomy and self-control is also a criterion to measure QWL.

iv) **Future opportunity for continued growth and security:** This criteria measures QWL through–

- the presence of advancement or growth opportunities,
- whether there is opportunity to use newly acquired skills or knowledge.
- presence of job security.

v) **Social information in the work organization:** QWL is measured through criteria like– to what extent the organization rely on status symbols and the hierarchy, whether the members openly communicate with each other and support each other or whether there is freedom from prejudice.

vi) **Constitutionalism in the work organization:** This criteria measures QWL through the constitutional protection provided to employees like right to personal privacy, right to speak without fear of punishment from higher authority, right to equal treatment and procedure for proper handling of grievances and complaints.

vii) **Work and total life space:** QWL provides for balanced relationship among work, non-work and family aspects of life .In other words a worker should be able to devote proper time to his work as well as family or personal life which should not be strained due to overtime work, travel demands or transfers.

viii) **The social relevance of work life:** QWL is also measured through how the worker perceives the social responsibility of the organisations like product quality, waste disposal, marketing and selling techniques, attitude towards laws etc.

4) **MBO and Appraisal:** MBO or Management by Objective is a participative process of goal setting in which superiors and subordinates together set the goals. It's a an intervention which involves joint target setting and performance review designed to increase a focus on objectives and to increase the frequency of problem solving discussions between supervisors and subordinates and within work teams.

An MBO programme consists of the following steps:

i) **Setting the Organization's Goals:** Here, an organization-wise plan for next year is formed and goals are set.

ii) **Setting Departmental Goals:** In this step departmental heads and their superiors jointly set goals for their departments.

iii) **Discuss Departmental Goals:** Departmental heads discuss the department's goals with all the subordinates in the department and ask them to develop their own individual goals. In other words, every employee will state how he can contribute to the department's attainment of goals.

iv) **Define Expected Results (Set Individual Goals):** In this step, department heads and their subordinates set short term performance targets.

v) **Performance Reviews: Measure the Results:** Department heads compare the performance of each employee with expected results.

vi) **Provide Feedback:** Department heads hold periodic performance review meetings with subordinates to discuss and evaluate the subordinates' progress in achieving expected results.

5) **Downsizing:** Downsizing refers to interventions aimed at reducing the size of the organization. It involves decreasing the number of employees through layoffs, attrition or early retirement by reducing the number of organizational units or managerial levels. Downsizing may be due to mergers and acquisitions because of which some jobs may also become useless. It may be also due to financial loss or loss of profit of the organization. It may occur due to change in organizational structure like from a taller structure to a flatter structure.

But the success of downsizing as an OD intervention is relatively low and it may lead to a number of problems at the individual level like increased stress and illness, loss of self-esteem, reduced trust and loyalty, marriage and family disruptions. It may lead to improved financial performance for the firms implementing it but depends on how effectively it is applied.

6) **Reengineering:** This is a restructuring intervention which transforms how organizations traditionally produce and deliver goods and services. It is the process of fundamental rethinking and radical redesign of business process dramatic improvements in critical modern measures of performance like cost, quality, service and speed. Organizations have increasingly divided their work into specialized units, each focussing on a limited part of the overall production process which creates division of labour and enables organizations to mass-produce standardized products and services efficiently. But this can be complex and difficult to manage and slow to respond to the rapid and unpredictable changes experienced by many organizations today. Reengineering helps to resolve these problems by breaking down specialized work units into more integrated and streamlined work processes which are more efficient and have better information handling capabilities. As a result, the work processes become more responsive to changes in competitive conditions, customer demands, product life cycle and technologies.

   Reengineering results in major changes in thinking and work methods- a shift from specialized jobs, tasks and structures to integrated processes that deliver value to customers. It leads to transformation of organization structures and work design. It assesses and identifies core business processes and redesigns work around these processes which typically results in new jobs or teams

7) **Employee Involvement:** It is the set of practices and management philosophy which tries to increase the workers input into decisions that affect organization performance and lead to employee well-being. It is based on the belief that involvement increases employee ownership and commitment which leads to improved performance and productivity. Because of high competition and demands for lower costs, higher performance and greater flexibility, organizations are increasingly applying employee involvement interventions to increase the participation, commitment and productivity of their employees.

   Employee involvement practices have been found to increase productivity, financial performance, customer satisfaction and

reduction in waste rates. These interventions helps in improving employee motivation as they are allowed to participate in decisions related to their work which generally includes skill training in group problem solving. These interventions improve communication and coordination among employees and organizational departments and help to integrate different jobs or departments.

Two important employee involvement interventions are-

a) **Quality Circles:** Quality circles are a voluntary group of employees who meet together periodically to discuss, analyze and propose solutions to mutually shared quality problems. Quality circle is a most common intervention for problem solving. This technique was started by Kaoru Ishikawa in Japan in the early 1960s. Ishikawa recognised the significance of shifting responsibility for problem identification and problem solving to those on the factory floor because they are closest to the problems that interfere with delivering a quality product and meeting production schedules. Quality circle is an intervention which helps in developing human relations at workplace and developing a participative culture. It leads to improved communication between management and employees and helps in improving productivity.

b) **Total Quality Management (TQM):** It is a management approach to long-term success by creating a customer focused organization by involving all employees. In a TQM effort, all members of an organization participate in improving processes, products, services and the culture in which they work. TQM increases worker's knowledge and skills through extensive training, provides relevant information to employees, pushes decision-making power downward in the organization and ties rewards to performance and directs the entire organization towards continuous quality improvement. A company's culture, senior leadership and empowered work practices contribute to the success of TQM.

11.6 PHYSICAL SETTINGS AND OD

A few consultants have tried to conceptualise about how to make physical settings of an organization match with OD assumptions and OD process. According to Steele, the physical setting of an organization is an important part of the organization culture. It is important that work groups should find out if the physical setting is interfering with effective group functioning. The top management should conduct a proper diagnosis and take inputs from relevant people like work groups while designing plants and buildings.

Steele has given some instances in which physical settings were found to interfere with effective group and organizational functioning. A few examples are cited below:

- A personnel director is promoted to senior Vice-President, a position in which he is given a secretary sharing his office which is supposed to signify his high status. But this results in lack of privacy and the noise of the typewriter used by the secretary adversely affects the executive's ability to hold spontaneous meetings with employees.
- A factory management encouraging group decision making but providing no space for more than six people to meet at one time.
- The classroom and lecture hall arrangements in universities reinforcing teacher-dominated and low peer-interaction climate.

Many OD practitioners have long given considerable attention to the physical arrangements for team-building sessions, and Steele reinforces this approach by urging facilitators to include the dimensions of physical arrangements in their process consultation interventions. Steele describes a rating process he uses to examine things such as desks, lights or machines, arrangement of chairs and sociological factors such as norms about the use of physical settings.

Though architecture and interior arrangements and design are not directly related to OD but the approach used by Steele which includes a strong emphasis on participative diagnosis of physical settings and the result which tries to enhance team efforts when needed or tries to provide privacy

to individuals in case they are disturbed because of their physical setting are highly congruent with OD. Steele's work is a notable example of some of the creative integrations that have occurred between OD and other consultancy modes.



CHECK YOUR PROGRESS

Q.4: What are the various types of Techno-Structural interventions?

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Q.5: What is reengineering intervention?

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Q.6: Are physical settings important in OD?

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11.7 LET US SUM UP

- A socio-technical system consists of two independent but related parts-social and technical. The social part includes the people performing the tasks and the relationships among them and the technical part includes the tools, techniques and methods for performing tasks. Both these parts needs to work together to make an organization more effective.
- One of the important interventions or application of Socio-technical approach is self-managed work teams also known as self-directed or high performance work teams. Self-managed teams are generally

responsible for a complete product or service or a major part of a larger production process. They control their members work behaviour and make decisions about task assignments and work methods.

- Techno-structural interventions are those interventions which are aimed at improving organizations effectiveness through changes in the task, structure and technological subsystems.
- The types of techno-structural interventions are self-managed teams, quality of work life, work redesign, MBO and appraisal, downsizing, reengineering, and employee involvement interventions like quality circles and total quality management. They can be summarized as-
- Work redesign involves approaches to redesign jobs to improve employee performance and productivity.
- Quality of Work Life tries to improve the quality of life for the worker. It is a process through which an organization enables its members at all levels to actively participate in shaping the organizations environment, methods and outcomes.
- MBO and appraisal involves joint goal setting and performance review based on these goals.
- Downsizing which mainly reduces the workforce can contribute to OD by focusing on the organization's strategy and addressing needs of organization members.
- Reengineering prepares the organization by rethinking the way work gets done and restructuring the organization around newly designed processes.
- Employee involvement interventions aims to move decision making downward to improve responsiveness, performance , commitment and satisfaction. Two such interventions are Quality Circles and Total Quality Management.



11.8 FURTHER READING

1) French, W., Bell, H. C. and Vohra V. (2013). *Organisation Development*. India: Pearson Education.

2) Hackman, J. R., Oldham, G. R. Janson, R. and Purdy, K. (1975). *A New Strategy for Job Enrichment*. California Management Review. Summer.

3) Ramnarayan, S. and Rao, T. V. (2008). *Organization Development: Interventions and Strategies*. India: Response Books.

4) Steele, F. I. (1973). *Physical Settings and Organization Development*. Addison Wesley Longman Publishing Co.

5) Zahra, S. A.(1983). *Building Wholesome Quality of Working Life*. Management Quarterly. Summer.



11.9 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: A socio-technical system consists of two independent but related parts-social and technical. The social part includes the people performing the tasks and the relationships among them and the technical part includes the tools, techniques and methods for performing tasks. It is an approach to complex organization work design recognizing interaction between technology, people and workplace.

Ans. to Q. No. 2: One of the important interventions or application of Socio-technical approach is self-managed work teams also known as self-directed or high performance work teams. Self-managed teams are generally responsible for a complete product or service or a major part of a larger production process. They control their members work behaviour and make decisions about task assignments and work methods.

Ans. to Q. No. 3: Techno-structural interventions are those interventions which are aimed at improving organizations effectiveness through changes in the task, structure and technological subsystems.

Ans. to Q. No. 4: The various types of techno-structural interventions are socio-technical systems and self-managed teams, quality of work life, work redesign, MBO and appraisal, downsizing, reengineering,

and employee involvement interventions like quality circles and total quality management.

Ans. to Q. No. 5: Reengineering involves the fundamental rethinking and radical redesign of business processes to achieve dramatic improvement in performance. It tries to transform how organizations traditionally produce and deliver goods and services.

Ans. to Q. No. 6: Yes, physical settings of an organization are important in OD because in many instances the physical settings act as barriers to effective group and organizational functioning.



11.10 MODEL QUESTIONS

Q.1: Define Socio-Technical systems. Explain the different states of Socio-Technical systems.

Q.2: Discuss the various types of techno-structural interventions.

Q.3: What are physical settings in OD?

Q.4: Do you think that work redesign is an important techno-structural intervention?

Q.5: Explain the importance of Quality of Work life as an OD intervention.

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UNIT 12: STRATEGIC INTERVENTIONS

UNIT STRUCTURE

12.1 Learning Objectives

12.2 Introduction

12.3 Integrated Strategic Change

12.4 Trans-Organisational Development

12.5 Merger and Acquisition

12.6 Culture Change

12.7 Self-Designing Organisations

12.8 Organisation Learning and Knowledge Management

12.9 Confrontation Meetings

12.10 System 4 Management

12.11 Learning Organisations

12.12 Let Us Sum Up

12.13 Further Reading

12.14 Answers to Check Your Progress

12.15 Model Questions

12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- learn the concept of integrated strategic change
- discuss is trans-organizational development
- describe the merger and acquisition interventions
- discuss about culture change
- explain self-designing organizations, organization learning and knowledge management
- explain the role of confrontation meetings as an OD intervention
- describe about system 4 management as an OD method
- explain how learning organizations help in improving organizations.

12.2 INTRODUCTION

In this unit we are going to discuss the concepts related to integrated strategic change, trans-organizational development, merger and acquisition interventions. We will also get some idea about culture change and self-designing organizations, organization learning and knowledge management. At the end of this unit we discuss on the role of confrontation meetings as an OD intervention and explain how learning organizations help in improving organizations

12.3 INTEGRATED STRATEGIC CHANGE

Interventions which aim to change the relationship between an organization and its environment and are intended to affect outcomes at the organizational level, including sales, profitability and culture are called strategic interventions. These interventions involve changing the strategy or design of an organization.

Integrated Strategic Change is an intentional process that leads an organization through realignment between the environment and the firm's strategic orientation that results in performance and organizational effectiveness. This process was initially developed by Worley, Hitchin and Ross in response to managers' complaints that often good business strategies are not implemented. In traditional strategic management processes, the planning is limited to top management and middle level managers, supervisors and employees hear about new strategies like change in job responsibilities or new departmental objectives through announcements. So, there is little understanding and commitment towards the new objectives. But the process of ISC tries to remove these drawbacks.

ISC is a more integrated, detailed and participative process. Its main features are–

1) An organization's business strategy and the design features it support must be considered as an integrated whole.
2) Creating a strategic plan, gaining commitment and support for it, planning its implementation and executing it are treated as one integrated process.

3) Individuals and groups throughout the organization are integrated into the analysis, planning and implementation process to create a more achievable plan to maintain the firm's strategic focus, to improve coordination and integration within the organization and to create high level of commitment among the employees towards the objectives.

Process of Integrated Social Change: The process of ISC which consists of four phases is shown in the figure 12.1 below:

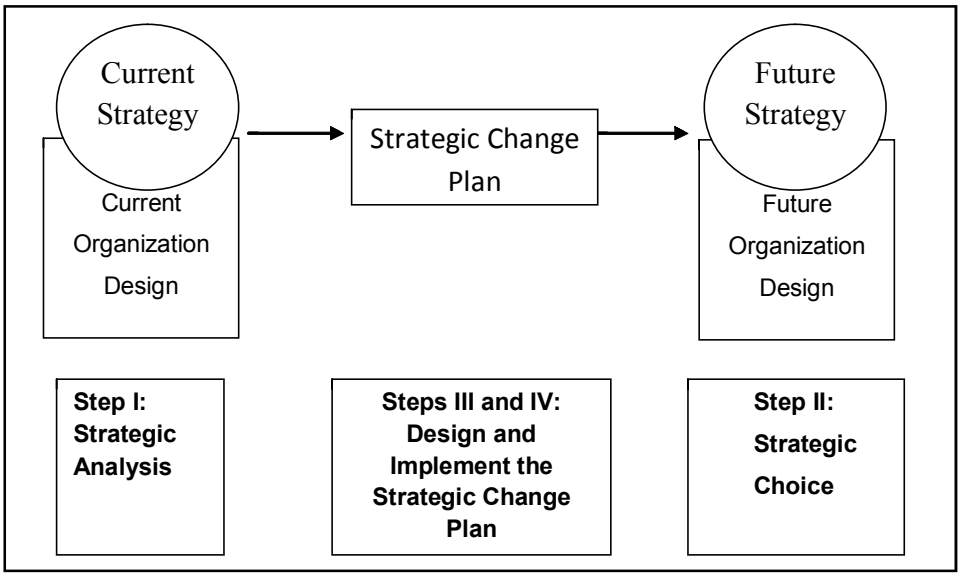


Figure 12.1

Let us now discuss this phases in detail:

Phase I: Strategic Analysis

The process starts with a diagnosis of the organization's readiness for change and its present strategy and organization design. The most important indicator of readiness for change is the senior management's willingness and ability to carry out strategic change. This phase includes organization members to increase relevance of data collected and to increase commitment and ownership of the members towards the change effort.

Phase II: Strategic Choice

This phase involves designing the future strategy and new organization design based on the strategic analysis done in the phase I. New visions are formed and two or three alternative strategies are formed to achieve these visions.

Phase III: Designing the strategic change plan

The strategic change plan involves a detailed agenda on how to move the organization from its current strategy and organization design to its desired future strategic orientation. The change plan describes the type, magnitude and schedule of change activities and costs involved.

Phase IV: Implementing the plan

This is the last phase of the ISC process which involves implementation of the strategic change plan. It requires senior managers to start action and allocate resources to particular activities, set realistic goals and give timely feedback.

12.4 TRANS-ORGANIZATIONAL DEVELOPMENT

Trans-organization development is a planned change in the collective relationship of a variety of stakeholders to accomplish something beyond the capability of any single organization or individual (Culbert, 1972).It involves multiorganizational change programs which are becoming more important in OD as organizations are extending their boundaries to keep pace with the rapidly changing environment.

Organizations are linking with other organizations to gain essential capabilities and resources, to operate at a larger scale and to enter new markets or to handle complex problems and projects that single organizations cannot handle. As per Cummings, groups of organizations that join together for a common purpose are known as transorganizational systems.

A few problems related to transorganizational systems are–

- Relationship among member organizations are loosely coupled
- Leadership and power are divided among the autonomous organizations
- Even though they are jointly performing member organizations face problems as they have to maintain their autonomy

Stages for Trans-organizational Development: Cummings has given the following four stages of trans-organizational development also known as network development which is suitable for trans-organizational systems (TS) as shown in figure 12.2.

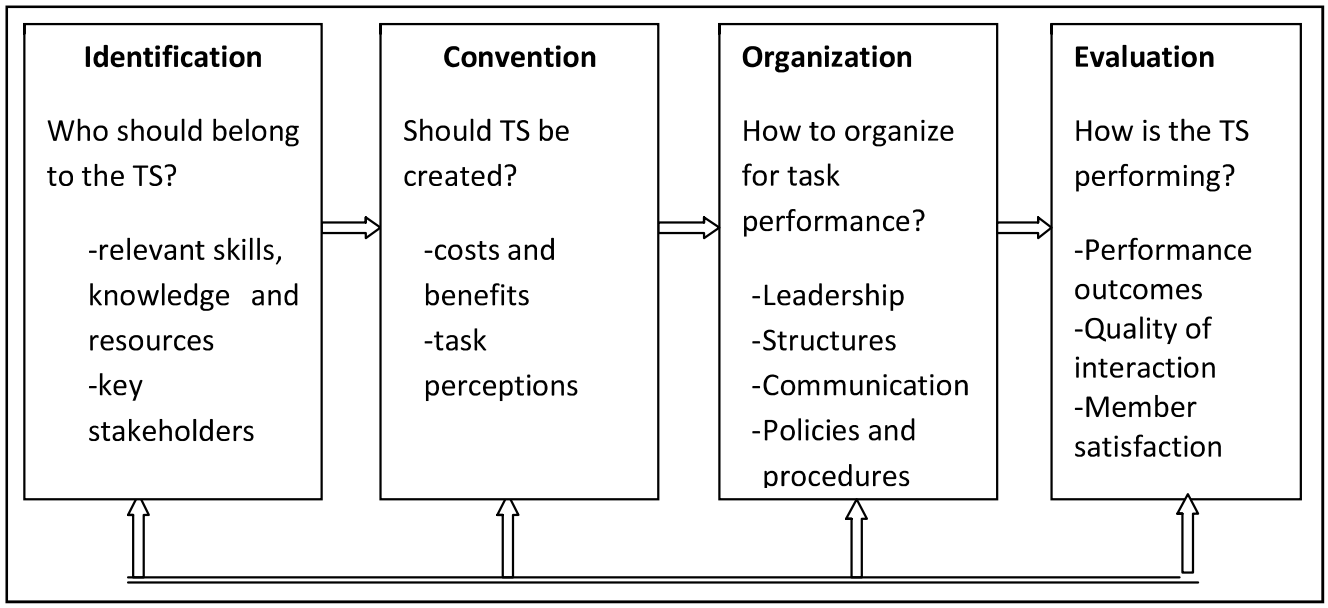


Figure 12.2: Stages for Trans-Organizational Development

Stage 1: Identification Stage: This is the first stage which involves identifying existing and potential member organizations of trans-organizational systems. OD practitioners help these organizations to clarify their goals like product or technology exchange, learning or market access and to understand the value of working together. Potential members with relevant skills, knowledge and resources and key stakeholders who can affect the creation and performance of TS are identified.

Stage 2: Convention Stage: After identifying the potential members, this stage tries to bring them together to find out whether formalizing the network is feasible or not. This face-to-face meeting enables potential members to explore their motivations for joining the network and their perceptions of the tasks they may have to perform together.

Stage 3: Organization Stage: When the convention stage results in a decision to create a network, members start to organize themselves for task performance.It involves developing the structures and mechanisms to promote communication, policies and procedures that will guide them and members may chose a powerful leader to head the network. OD practitioners can

help the members define the competitive advantage for the network.

Stage 4: Evaluation Stage: This is the final stage which involves assessing how the TS are performing, finding out member satisfaction and how well they are interacting jointly. Feedback is given to members about their performance.

12.5 MERGERS AND ACQUISITIONS

Mergers refer to the integration of two previously independent organizations into a completely new organization while **acquisition** involves the purchase of one organization by another for integration into the acquiring organization. Mergers and Acquisitions are different from other trans-organizational interventions because one of the organization ceases to exist.

Organizations want to acquire or merge with other firms because they want to diversify; gain access to global markets, technology or other resources and achieve operational efficiencies, improved innovation or share resources. So, mergers and acquisitions have become a preferred intervention for fast growth and strategic change. So, OD practitioners need to focus on how OD can contribute to the success of mergers and acquisitions.

Phases in Mergers and Acquisitions: Mergers and Acquisitions involve three major phases which are discussed below:

1) **Precombination Phase:** This phase involves planning activities to ensure success of the combined organization. The various activities involved are–
   - Identifying and selecting potential candidate. OD practitioners can add value at this stage by encouraging screening criteria that include managerial, organizational, cultural, technical and financial aspects.
   - A merger and acquisition team is created to oversee the process. OD practitioners can help here by helping the team to establish clear goals and objectives and define a clear leadership structure.
   - Specifying the strategic vision representing the organizations' combined capabilities & competitive strategy. OD practitioners

can help in this discussion to ensure that each issue is fully explored.

- Evaluating whether the two organizations actually have the managerial, technical and financial resources that each assumes the other possesses.
- This activity involves developing merger integration plans specifying the integration objectives, the scope and timing of integration activities and organization design criteria. It also includes a process for addressing conflicts and problems that may arise during the implementation process.

2) **Legal Combination Phase:** This phase of the Merger and Acquisition process involves the legal and financial aspects of the transaction. The two organizations settle on the terms of the deal, register and gain from proper regulatory authority, gain approval from shareholders and file proper legal documents.
3) **Operational Combination Phase:** This phase involves implementation of the merger and integration plan. It includes the following activities:
   - At first announcements or communications actions that officially start the implementation process takes place.
   - Next, operational and technical integration activities takes place which includes structural changes, work designs and procedures that will be implemented top achieve the strategic activities.
   - Cultural integration activities are implemented which involves building new values and norms in the combined organization.

Organizations have to continuously assess the implementation process to identify integration problems and needs. It needs to be assessed whether the combined company is operating efficiently or did the process as per schedule. Mergers and acquisitions are one of the challenging interventions faced by OD practitioners and organizations.



CHECK YOUR PROGRESS

Q.1: What is Integrated Strategic Change?

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Q.2: What are the problems associated with trans-organizational systems?

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Q.3: Mention the phases in mergers and acquisitions?

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12.6 CULTURE CHANGE

Organization culture includes an organizations philosophy, values, norms, artifacts and basic assumptions that hold its members together and dictates the ways the organization conducts its business, treats its employees, customers and the community. OD practitioners have developed a number of culture change interventions.

Diagnosing the organization culture may be difficult due to–

- Generally organization members take cultural assumptions for granted and rarely speak about them directly. So, a lot of time and effort is required to observe and ask people about culture like daily routines, stories, rituals etc.
- Values and beliefs come in two forms: espoused values and values-in-use. Espoused values are those values which the organization

openly declares as important. Values-in-use are those beliefs that actually drive behaviours. People sometimes espouse values which they do not really hold and follow but are reluctant to admit it.

- Global and large organizations have several subcultures or countercultures. So, taking a sample of small group of the organization may not represent the culture of the larger organization.

Transformational change interventions generally include diagnosing the organization's existing culture to find out whether it fits with current or proposed business strategies. OD practitioners have developed a number of approaches for diagnosing organization culture at different levels- artifacts, norms and values and shared assumptions that guide member behaviour and have a powerful impact on organization effectiveness. A few diagnostic methods are–

1) **Artifacts:** Artifacts are the visible symbols of the deeper levels of culture like norms, values and basic assumptions. Examples are clothing, language, office layouts, noise levels, organization's design features etc. One method to diagnose artifacts is ask groups of people to generate language patterns, clothing norms, office arrangements and design features. Another method is to observe and assess main work related behaviours.
2) **Norms and Values:** Norms guide how members should behave in particular situations. Norms can be found out by observing how members behave and interact with each other. Values are the lasting beliefs about what is desirable in organizations. One method of value diagnosis is to check how the organization resolves value related problems.
3) **Basic Assumptions:** The basic assumptions tell members about how to perceive, think and feel about things. A method to identify them is to hold a culture workshop of various sections of managers, labour leaders and employees.

Implementing the Culture Change Process: Culture change as an intervention to suit existing and future strategies of the organization is not very easy. Changing artifacts and norms may be easier than the deeper

elements of values and basic assumptions. Cultural change may be necessary in the following situations-

- If the firm's culture does not fit the changing environment
- If industry is too competitive and changes rapidly
- If the company is small and growing fast
- If the company is facing loss
- If the firm is about to expand

Culture change interventions should follow the steps mentioned below:

1) Effective cultural change must start with a clear vision of the firm's new strategy and of the shared values and behaviours needed to make it work.
2) Culture change must be managed by top management and they must be committed to the new values.
3) Senior executives must communicate the new culture through their actions and which should reflect the values and behaviours wanted in the organization.
4) The organization structure, human resource systems, work design and management processes must be modified to support change in culture.
5) Recruit those people who can fit with the new organizational culture especially in some important leadership positions. And newly recruited people need to be socialized into the new culture.

12.7 SELF-DESIGNING ORGANISATIONS

In today's competitive and changing environments, a growing number of researchers and OD practitioners have suggested self-designing organizations to bring out transformation of high performance in the organization. The self-design intervention has been designed by Mohrman and Cummings which involves diagnosing, designing and implementing activities that can be carried out by managers and employees at all levels of the organization.

Application Stages of Self-Designing Organizations: The self-design process tries to provide organizations with the built-in capacity to change and redesign themselves continuously as per the demand of the situation. It promotes organizational learning among different employees at all levels by providing them with the knowledge and skills needed to continuously change and improve the organization.

The self-design process which consists of five phases is shown in the Figure 12.3 below:

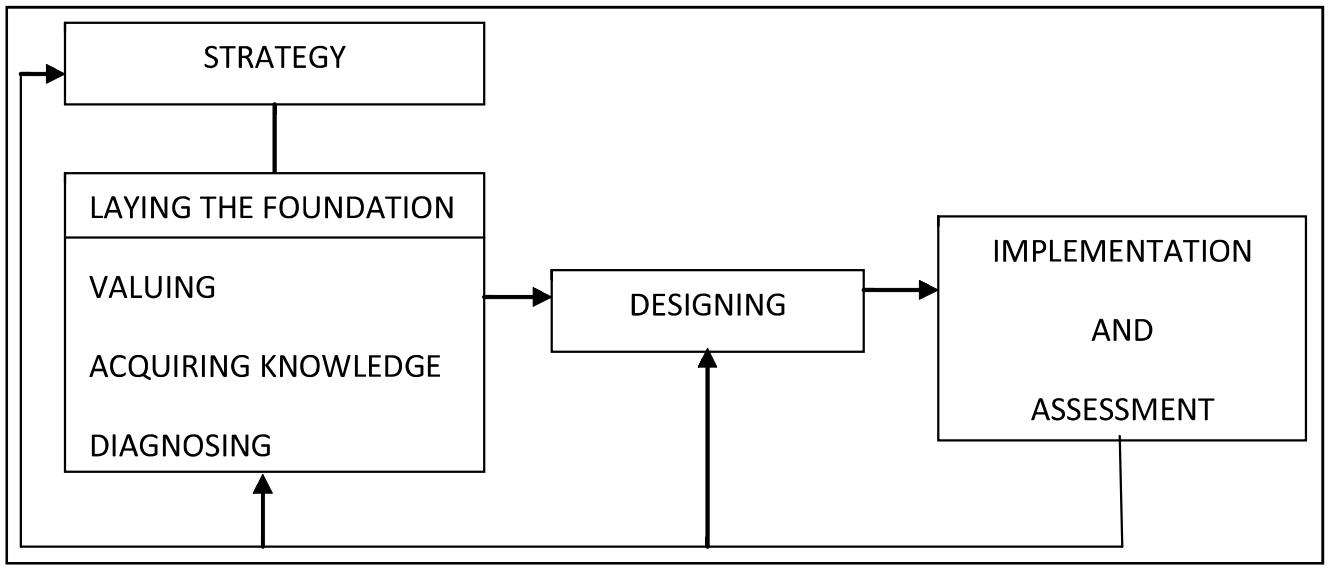


Figure 12.3: Self-Design Change Process

1) **Clarifying the strategy:** This stage involves clarifying the organization's strategic objectives and making it clear to the members.
2) **Laying the foundation:** This stage which provides the design team with the basic knowledge and information needed to get a large-scale change started consists of three activities which are-
   a) **Valuing:** determining the beliefs and values that will guide the change process
   b) **Acquiring Knowledge:** about how organization functions, principles for achieving high performance and about the self-design process
   c) **Diagnosing:** the current organization to determine what needs to be changed to implement the strategy and values.

3) **Creating design criteria:** At this stage, the design team develops the principles and standards that will guide the new organization design.
4) **Designing:** Here, the design team gives a broad outline of how the organization should be designed at the highest level and how the design components should fit together.
5) **Implementing and assessing:** This is the last stage where the new design is implemented by putting into place the new structures, practices and systems.

The self-design intervention has been successfully used in organizations in different situations.

12.8 ORGANIZATION LEARNING AND KNOWLEDGE MANAGEMENT

Organization learning improves an organization's ability to acquire and develop new knowledge. It is an intervention which helps organizations to develop and use knowledge and improve themselves continuously. Knowledge is the key to develop a learning organization and when it is used in developing new products and services , it can become a source of competitive advantage for organizations.It is one of the most widely used interventions in OD.Organization learning generally leads to higher organizational performance.

Knowledge Management: Knowledge management is the process of creating, acquiring, capturing, sharing and using knowledge to enhance learning and performance in organizations. It is necessary for survival and growth of an organization and helps an organization to achieve competitive advantage. Knowledge management involves understanding where and in what form knowledge exists; how to promote a culture conducive to learning, sharing and knowledge creation; how to make the right knowledge available to the right people at the right time and how to manage all these factors to improve performance in tune with the strategic goals of the organization.

Relation between Organization Learning and Knowledge Management: Knowledge management is an important part of organization

learning Organization learning interventions emphasize the organizational structures and social processes that enables organization members and teams to learn and share knowledge. They use knowledge of OD interventions like team building, structural design and employee involvement and are generally linked with the human resources function. Organization learning interventions may be assigned to a special leader known as chief learning officer.

On the other hand, knowledge management focuses on the tools and techniques that enable organizations to collect, organize and convert information into useful knowledge. It lays importance on electronic forms of knowledge storage and transmission. So, knowledge management applications are located in the information system function and may be guided by a chief information technology officer.

Organization learning interventions deal with how organizations can be designed to promote effective learning processes and how these learning processes can be improved. Knowledge management practices work on the outcomes of learning processes and on how strategically relevant knowledge can be effectively organized and used throughout the organization. This is how organization learning and knowledge management are related.



CHECK YOUR PROGRESS

Q.4: What are the steps of culture change interventions?

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Q.5: What are the phases of the self-design process?

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Q.6: What is organizational learning?

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12.9 CONFRONTATION MEETINGS

Confrontation meeting is an intervention that activates the resources of the whole organization to identify problems, to set priorities and to start working on identified problems. This intervention developed by Beckhard is useful in any situation but most beneficial when an organization is under stress and there is a gap between the top management and the rest of the organization. It is a quick, simple and reliable method to generate data about an organization and to set the action plans.

Steps involved in Confrontation Meetings: A confrontation meeting normally involves a one day meeting of the entire management of an organization in which they try to understand their own organizational health. The steps involved are discussed below:

1) **Climate setting:** A top level manager introduces the session by stating the goals of the meeting and stresses on the need for open discussion of issues and problems related to work environment and organizational effectiveness.
2) **Information collecting:** Small groups of 7-8 members are formed consisting of individuals from different functional areas of the organization and bosses and sub-ordinates are not put together on the same team. They are generally given 1 hour for this task.
3) **Information Sharing:** After 1 hour, the groups meet and discuss the problems identified by them. Maximum amount of information is shared as each group listens to all the other groups.
4) **Priority setting and Action Planning:** The groups try to identify the problems they think are more important and should be given priority. They try to find solutions to the problems. Then they decide how they will communicate the results of the confrontation meeting to their

sub-ordinates. They determine what actions to take and a time period to complete the actions.

5) **Reporting to top management:** Each group then periodically reports their list of priorities and plans of action to the top management.
6) **Review of progress:** After implementation of the action plans, a progress review is done after 1-2 months.

Benefits of Confrontation Meetings:

1) It is an useful technique to solve organizational problems especially in times of low performance.
2) It helps to improve inter-departmental relationship.
3) Leads to improved communication.
4) Helps to bring out problems in the open so that they can be resolved and improves the health of the organization.

12.10 SYSTEM 4 MANAGEMENT

The system 4 management technique has been developed by Dr Rensis Likert. According to Likert, the efficiency of an organization or its departments is influenced by their system of management. System 4 is the code Likert gave to the future of organizations moving away from the bureaucratic model of Max Weber, which is referred to as system 1. Likert categorised his four management systems as given below:

1) **Exploitative Authoritative (1)**

   In this type of management, all decisions are taken by superiors, communication is downward and leaders have low concern for people and high concern for work. Employees are made to work by fear and threats.

2) **Benevolent Authoritative (2)**

   In this type of management, decisions are taken by top management and employees are motivated through rewards rather than fears and threats. Upward communication may take place but restricted. Teamwork and communication is limited.

3) Consultative Management (3)

In this type of management, sub-ordinates are motivated by rewards and some amount of involvement in decision making process but major decisions still taken by senior management. Motivation is based on rewards and job involvement. Fair amount of teamwork is there and communication takes place both vertically and horizontally.

4) Participative (Group) System (4)

In this type of management, the senior management has full confidence on employees and sub-ordinates are fully involved in decision making process. There is free flow of upward and downward communication and high level of commitment and responsibility among the employees to achieve organizational goals.

Main Features of System 4 Management:

- High level of concern for people as well as productivity
- Greater amount of teamwork, commitment and involvement
- Higher scope for upward communication
- Greater trust and better relationship between superiors and sub-ordinates
- Employees motivation level is high as their degree of participation in decision making is high.

As per Likert, system 4 management is an ideal system to achieve organizational effectiveness.

12.11 LEARNING ORGANIZATIONS

A learning organization is a change program which focuses on the participation and involvement of all the members of the organization in a self-directed learning that helps in achieving organizational effectiveness. The term learning organization was first coined by Peter Senge. An organization in order to survive in this competitive world which is ever changing and uncertain must be able to increase its capability to learn new behaviours over a period of time. A learning organization is expert at creating, acquiring, interpreting, transferring and retaining knowledge and modifying

its behaviour to reflect the new knowledge. The design of an organization is important in promoting effective learning. OD practitioners help organizational members to find out whether their current organizational design promotes learning or not.

Characteristics of a Learning Organization: There are five main characteristics of a learning organization as identified by Peter Senge. They are discussed below:

1) **Personal Mastery:** It is the commitment by an individual to the process of learning. The source of competitive advantage for an organization may lie in the ability of its members to learn quickly. So, managers must work daily at creating a climate that promotes personal mastery.
2) **Systems Thinking:** It means to understand interdependency and complexity and the role of feedback in system development. It deals with seeing the big picture. In a true learning organization, managers understand the need to see the whole and the interrelationships that make an organization what it is.
3) **Mental Models:** Mental models stimulate and support reflection and inquiry, concerning the constant refinement of thinking and developing awareness. Each person has his own set of assumptions, views and prejudices that strongly affects how he interacts with others. It is important for managers to reflect on their existing mental models and check whether it promotes systems thinking or not.
4) **Shared Vision:** When people truly share a vision then they are connected together by a common aspiration. Shared vision is an essential component of a learning organization because it provides the focus and energy for learning. The underlying force is the desire by people to create and achieve something.
5) **Team Learning:** It is a process that includes aligning and developing the capacity of a team to achieve the goals that its members truly want. Teams must interact with each other to share what they learn and to create a real learning organization.

Benefits of a Learning Organization:

- Helps an organization to cope with the loss of a key official as others are also aware of the critical aspects of operation.
- Enhances employee morale, performance and helps in employee retention.
- Helps an organization to achieve competitive edge as employees are continuously growing, innovations in product and services occur as per the changing environment.
- Team learning helps employees to learn from one another and leads to enhanced productivity.
- Shared vision focuses attention of employees towards common goals for organizational improvement and reduces dysfunctional competition. It also increases responsiveness towards customers.



CHECK YOUR PROGRESS

Q.7: What are the benefits of confrontation meetings?

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Q.8: What is system 4 management?

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Q.9: Define a learning organization.

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12.12 LET US SUM UP

- Structural interventions are change processes that bring about alignment between the organization and its strategy, design elements and culture. Integrated Strategic Change is an intentional process that leads an organization through realignment between the environment and the firm's strategic orientation that results in performance and organizational effectiveness. The integrated strategic change process consists of four phases– strategic analysis, strategic choice, designing the strategic change plan and implementing the plan.
- Trans-organization development is a planned change that moves beyond the single organization. It involves mutiorganizational change programs that help organizations to extend their boundaries and keep pace with the changing environment.
- Mergers and Acquisitions involve combining two or more organizations to achieve strategic and financial objectives. They include three phases-precombination, legal combination and operational combination phase.
- Culture change involves modifying the present culture to suit the strategic objectives of an organization. The culture can affect how successful a firm is in implementing new objectives.
- The self-design intervention involves diagnosing, designing and implementing activities that can be carried out by managers and employees at all levels of the organization.
- Organization learning interventions help organizations develop and use knowledge to change and improve themselves continuously. Knowledge management focuses on how that knowledge can be organized to improve performance of the organization.
- Confrontation meeting is an intervention that activates the resources of the whole organization to identify problems, to set priorities and to start working on identified problems. The system 4 management technique says that the efficiency of an organization or its departments is influenced by their system of management. System 4 is the code Likert gave to the

future of organizations moving away from the bureaucratic model of Max Weber, which is referred to as system 1. Learning organizations focuses on the participation and involvement of all the members of the organization in a self-directed learning that helps in achieving organizational effectiveness.



12.13 FURTHER READING

1) Aldrich, H. (1979). *Organizations and Environments*. New York: Prentice hall.

2) French, W. and Bell, H. C. (1998). *Organisation Development*. India: Pearson Education.

3) Ralphs, T. L. (2004). *Organization Development (A Practitioner's Tool Kit)*. Viva Books Private Limited.



12.14 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: Integrated Strategic Change is a process that leads an organization through realignment between the environment and the firm's strategic orientation that results in performance and organizational effectiveness.

Ans. to Q. No. 2: A few problems associated with transorganizational systems ar– relationship among member organizations are loosely coupled, leadership and power are divided among the autonomous organizations and even though they are jointly performing member organizations face problems as they have to maintain their autonomy.

Ans. to Q. No. 3: There are generally three phases in mergers and acquisitions which are pre-combination, legal combination and operational combination.

Ans. to Q. No. 4: The steps of culture change interventions are–

i) a clear vision and shared values

ii) top management support and commitment

iii) modification in organization structure, human resource systems, work design and management processes to support new culture

iv) recruiting people fitting new organizational culture

Ans. to Q. No. 5: The phases of the self-design process are clarifying the strategy, laying the foundation, creating design criteria, designing, and implementing and assessing.

Ans. to Q. No. 6: Organization learning improves an organization's ability to acquire and develop new knowledge. It is an intervention which helps organizations to develop and use knowledge and improve themselves continuously.

Ans. to Q. No. 7: The benefits of confrontation meetings are that they help in solving organisational problems through open discussions, lead to improved inter-departmental relationship and better communication and ultimately improves organizational health.

Ans. to Q. No. 8: The system 4 management technique has been developed by Dr Rensis Likert. As per which the efficiency of an organization or its departments is influenced by their system of management. System 4 is the code Likert gave to the future of organizations moving away from the bureaucratic model of Max Weber, which is referred to as system 1. System 4 is the participative management.

Ans. to Q. No. 9: A learning organization is an organization which focuses on the participation and involvement of all the members of the organization in a self-directed learning that helps in achieving organizational effectiveness. The term learning organization was first coined by Peter Senge. A learning organization is expert at creating, acquiring, interpreting, transferring and retaining knowledge and modifying its behaviour to reflect the new knowledge.



12.15 MODEL QUESTIONS

Q.1: What is Integrated Strategic Change? Discuss its various phases.

Q.2: What is Tran-organizational development? Explain its phases.

Q.3: Explain the different stages of Mergers and Acquisitions.

Q.4: Why change in culture may be necessary for an organization? What are the steps of culture change interventions?

Q.5: What are self-designing organizations? Discuss the application stages of self-designing organizations.

Q.6: Discuss how organizational learning and knowledge management are inter-related.

Q.7: What are confrontation meetings? Discuss the steps in a confrontation meeting.

Q.8: What are the advantages and disadvantages of confrontation meetings?

Q.9: Write a note on system 4 management.

Q.10: Discuss the characteristics and benefits of learning organizations.

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UNIT 13: ORGANISATIONAL LEARNING

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 Learning Organization

13.4 Senge's Approach

13.5 Nonaka and Takeuchi's Approach

13.6 Executive View on Organizational Learning

13.7 Reality Checklist

13.8 Seven Steps of Initiating Organizational Learning

13.9 Let Us Sum Up

13.10 Further Reading

13.11 Answers to Check Your Progress

13.12 Model Questions

13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- discuss the concept of a learning organization
- explain the features of Senge's Approach
- describe the Nonaka and Takeuchi's model of organizational knowledge creation
- discuss the executive view on organizational learning
- outline the points which are included in reality checklist of an organization
- the seven steps of initiating organizational learning.

13.2 INTRODUCTION

In this unit we will discuss the concept of a learning organization,the features of Senge's Approach and the Nonaka and Takeuchi's model of organizational knowledge creation. *Organizational learning* is the process of creating, retaining, and transferring knowledge within an *organization*.

An *organization* improves over time as it gains experience. From this experience, it is able to create knowledge. (Wikipedia)

Also we will get some idea on the executive view on organizational learning and the seven steps of initiating organizational learning.

13.3 LEARNING ORGANIZATION

Learning organizations are organizations where people continuously expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continuously learning to see the whole together (Senge, 1990). It is an organization which aims at creating, transferring and acquiring for modifying the behaviour of employees to reflect new insights and knowledge. In this competitive world an organization needs to keep changing and improving itself and continuous improvement requires a commitment to learning.

Main Features of a Learning Organization: The main features of a learning organization as given by Gephart are discussed below:

- **Continuous learning at the systems level:** Employees share their learning with each other and help in knowledge transfer across the organization by integrating learning into the organization culture.
- **Knowledge generation and sharing:** Systems are developed for creating, sharing and transferring knowledge.
- **Critical systematic thinking:** Employees are encouraged to think critically in order to identify assumptions, to use productive reasoning skills, to think systematically in order to see links and feedback loops.
- **Learning culture:** A learning culture is promoted by rewarding and supporting creativity and learning.
- **Encouraging flexibility and experimentation:** Employees are free to take risks, experiment, innovate, explore new ideas and generate new work processes and products.
- **People-centred:** Focuses on development and well-being of every employee.

Types of Learning: There are four types of learning as given by Michele Darling, Executive Vice President of Human Resources at the Canadian Imperial Bank of Commerce. They are–

1) **Individual Learning:** Responsibility is placed on the individual for continuous learning.
2) **Team Learning:** Involves task focused employee groups that take responsibility for their learning.
3) **Organization Learning:** Here through various learning networks, team success and achievements are shared.
4) **Customer Learning:** The organization and everyone in it need to know more about the customer and his or her evolving needs.

A learning organization helps to create organizational learning by creating structures and strategies. It leads to creativity and innovation and better communication and teamwork.

13.4 SENGE'S APPROACH

Peter Senge who is known as the champion of learning organizations believes that organizations should focus on the conditions and circumstances that motivate people to do great things for their organization as well as for them. He also states that by bringing changes in the organization, the deeply embedded practices and policies can be changed. And by changing how people interact, shared vision, understanding and new capacities for coordinated actions can be established.

There is more to being a learning organization than just gathering knowledge. Every organization creates and uses knowledge. The challenge is that few seem to actually learn how to manage it, apply it, grow through it and use it effectively. There is no one correct formula– different organizations try different processes, strategies and systems to share learning, acquire knowledge and turn it into the capacity to learn for change, re-learn and continually improve. There are, however, some key elements that all learning organizations have in common. Senge sorted many of these into 5 key learning areas or themes, he called 'The Five Disciplines'.

According to Senge, leaders in learning organisations learn to thrive on change and constantly innovate by methodically cultivating these 5 Disciplines. They may never be fully mastered, but learning-centred leaders, teams and organisations practise them continuously. The five disciplines are shown in Figure 13.1

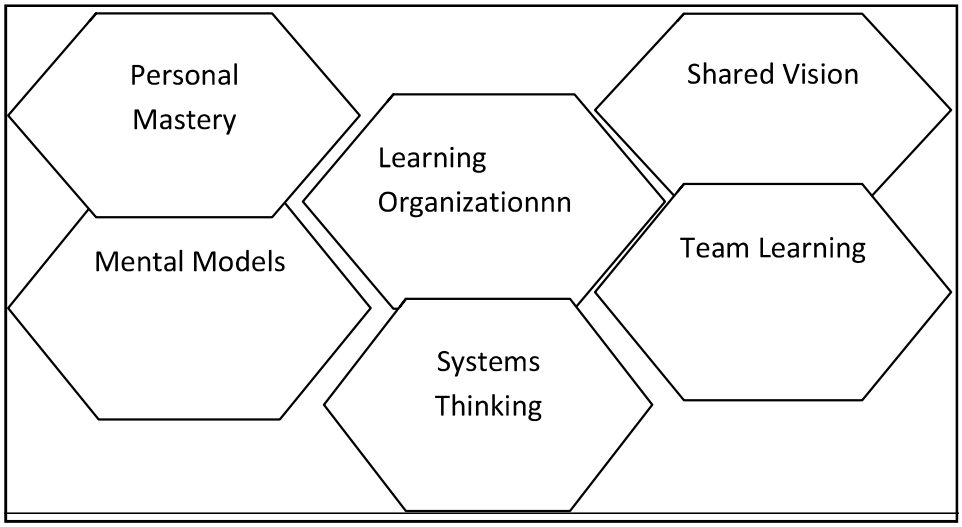


Figure 13.1: Senge's Five Learning Disciplines

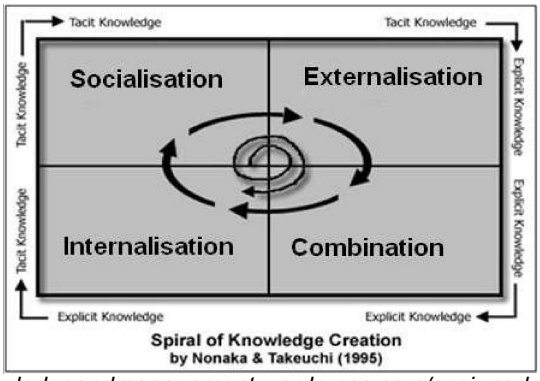
1) **Personal Mastery:** Organizations learn only through individuals who learn. As per Senge, though individual learning does not guarantee organizational learning but without it learning does not occur. People with high level of personal mastery are in a continuous learning mode. They have the ability to manage change relationships sensitively, willing to have their own values and beliefs challenged, clear about their goals and aspirations and high in self-awareness.
2) **Shared Vision:** Building a shared vision is very important for a learning organization because it helps to gain collective commitment to a common purpose. The practice of shared vision helps to reveal 'shared pictures of the future' which promotes genuine commitment rather than compliance which may be the situation when leaders dictate the vision.
3) **Mental Models:** These are deep-rooted assumptions and generalizations that influence how a person views the world and takes action. They are the judgements and perceptions from past experiences that influence what one hears and reacts to others. For

successful change it is important to surface the mental models and help people to reframe their mental models if necessary.

4) **Team Learning:** It occurs when teams share their experiences, insights, knowledge and skills with each other about how to do things better. The disciplines of building shared visions, practising personal mastery and bringing mental models to the surface are all important for team communication that leads to productive learning and actions. Effective team learning involves genuine collective thinking together, not depending on past experiences and beliefs and revealing new ideas through constructive disagreement.
5) **Systems Thinking:** Systems thinking means an understanding of how the various parts of an organization are interconnected and the patterns of change. It is the basis of a learning organization. An organization consists of various sub-systems and it is important to view them as a whole rather than isolated parts.

13.5 NONAKA AND TAKEUCHI'S APPROACH

Dr. Ikujiro Nonaka and Dr. Hirotaka Takeuchi developed the SECI model or Knowledge spiral which is a very useful conceptual base for developing a strategic approach to knowledge management. This model states that knowledge creation results from a spiral of repeated interchanges between the two types of knowledge- tacit and explicit knowledge. This model identifies four dimensions of knowledge-socialization, externalization, internalization and combination as shown in the below figure:



(*Source: http://knowledgeandmanagement.wordpress.com/seci-model-nonakatakeuchi/*)

Figure 13.2: SECI Model of Nonaka and Takeuchi

The four modes of knowledge conversion form a continuous process of dynamic interactions between explicit and tacit knowledge. Tacit knowledge is subjective and experience based knowledge that cannot be expressed in words, sentences, numbers or formulas, often because it is context specific. This also includes cognitive skills such as beliefs, images, intuition and mental models as well as technical skills such as craft and knowhow. Explicit knowledge is objective and rational knowledge that can be expressed in words, sentences, numbers or formulas (context free). It includes theoretical approaches, problem solving, manuals and databases. The four modes are discussed below:

1) **Socialization:** This process transfers tacit knowledge in one person to tacit knowledge in another person. It can be acquired through face-to-face interactions and shared experiences. Its main demerit is that it is hardly written or noted down so it remains tacit.
2) **Externalization:** This process converts tacit knowledge to explicit by developing models and concepts to an understandable form so that it can be used by others and it becomes the basis of new knowledge.
3) **Combination:** This process is a combination of explicit to explicit knowledge. Knowledge is organized and analyzed in this phase. The main steps involve collecting relevant internal and external knowledge, dissemination and editing it to make it more usable. Combination helps in knowledge transfer among groups across organizations.
4) **Internalization:** It is the process of understanding and absorbing explicit knowledge into tacit knowledge held by the individual. When the individual shares this tacit knowledge then this cycle continues in the spiral of knowledge and back to the process of socialization.

Nonaka and Takeuchi have presented five requirements to promote the knowledge spiral. They are discussed below:

a) **Organizational Intentions:** An organization's intentions can be identified from its strategic vision. The vision should be broad to allow room for interpretation and inspiring enough to be a consistent core value for the organization.

b) **Autonomy:** Employees must be given autonomy to act independently which can lead to creativity and innovation.

c) **Fluctuating and creative chaos:** Fluctuation in response to changes in the external environment is similar to the concept of challenging mental models or habits. Creative chaos is a feeling of urgency which may be intentionally created by the leader to encourage extraordinary effort to generate breakthrough products, process or strategies.

d) **Redundancy:** Japanese refer to the term redundancy as a tendency to intentionally promote the overlapping of information and management responsibilities. This duplication spreads information more widely and speeds up the process of knowledge creation.

e) **Requisite Variety:** Here the aim is to create conditions that maximize the accessibility, variety and sharing of information. Innovation can be achieved best by teams whose members bring a variety of experience to a project.



CHECK YOUR PROGRESS

Q.1: What is a learning organization?

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Q.2: What are the five learning disciplines as given by Peter Senge?

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Q.3: What is the main concept about learning as given by Nonaka and Takeuchi?

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13.6 EXECUTIVE VIEW ON ORGANIZATIONAL LEARNING

In order to create a true learning organization, the support of the executives or managers is very important as they can be the key players in promoting knowledge creation and dissemination. So, it is important to understand their views on organizational learning. Executives may not be different from others in their need or capacity to learn. Most executives have agreed that in a rapidly changing business environment, learning is an activity that cannot be left to chance. In their opinion, organizational learning represents efforts to establish learning and knowledge creation as distinct management disciplines to sustain competitive advantage and business success.

Some of the definitions given by executives on learning organizations are–

- **Nokia:** "The fact that 'learning organization' has become a buzzword should not obscure the point that the idea provides Nokia with a fresh approach to understanding change." –Jorma Ollilia, chief executive officer and president.
- **British Petroleum:** "The learning organization is one that consciously manages its learning processes at the individual, team and organizational levels as a primary means of achieving its vision, values and strategic aims." –Peter Weibel, chief executive officer.
- **Levi-Strauss:** "To me 'learning organization' has become another buzzword for a management solution. A lot of people use the term, but what does it mean? It's like empowerment. Empowerment isn't a technique. It's a value. This issue is, how do you apply these concepts in ways that make them real? It's not just about what you do; it's about who you are. It's the assumptions and beliefs you hold about people and their capability and how that plays out in the way you structure work and the way you lead and the kind of power you relinquish and so on. If you don't happen to hold those beliefs and values, then exercising the techniques isn't enough." –Sue Thompson, Director of Human Resource Development.

- **British Airways:** "Most of the products we sell are not things you can take with you. The products are the people. Consequently, one is working all the time to keep people motivated and reinforce the messages from surveys on the quality of service and employee needs. That is what has helped us stay successful. In what sense we are constantly changing and learning, but we haven't articulated it quite the way Peter Senge has." –Jim Kelly, Education and Development Manager.

13.7 REALITY CHECKLIST

An examination of various organizations has shown that there are no models for what a learning organization should be nor are there any organizations that possess all characteristics of a learning organization which can be referred to as the reality checklist. The reality checklist of a learning organization is mentioned below under four categories– leadership, culture, structure and processes and managing people as assets. An organization can become a learning organization by implementing the characteristics mentioned in the reality checklist.

Leadership: The points included in leadership checklist are–

- CEOs view their role not as the commander-in-chief but as the chief supporter of people throughout the organization.
- The top executives' vision for business success focus on personal as well as profit aspirations.
- Senior executives visibly reinforce values by talking about them frequently and behaving in ways consistent with the company's stated values.
- Top managers and CEOs spend less time in their offices and more time meeting with employees at many levels to share ideas and problems.
- Authority is earned based on quality of individual knowledge, skills and effectiveness rather than based on hierarchical positions.
- People at different levels of the organization are included while forming strategies.

- Decision making responsibility is delegated to the person who does the actual work.

Culture: The points included in the culture checklist are–

- Corporate values and principles are formally expressed and are a source of inspiration and unity and provide a framework for behaviour and performance that helps the organization to reduce bureaucracy.
- Time is allowed for reflection, exploratory learning and skill development.
- Commonly expressed values are honesty, learning from mistakes, respect for individual freedom and appreciation of the personal and business significance of continuous learning.
- Management encourages employees to contribute to the success of colleagues by sharing information and wisdom.
- The company publicizes internally the successful application of ideas.
- While recruiting employees values are given strong preference.

Structures and Processes: The points included in the structures and processes checklist are–

- High investment on learning and knowledge transfer.
- The organization has a process to archive and distil learning from past experiences and distinguishes what works and what does not.
- The company conducts events frequently to share wisdom, ideas and experience.
- There are procedures to retain the business knowledge acquired by people who leave the organization.
- Business information on performance, current activities and best practices is widely accessible and shared.
- Information technology helps in fast dissemination of knowledge and improves communication and collaboration among employees at all levels and all locations.
- The organization uses various methods to learn from external sources, including customers, suppliers and competitors.

Managing people as assets: The points included in the checklist of managing people as assets are–

- Human Resource managers play an active role in developing business strategies with line managers.
- All employees understand short-term and long-term business missions which is important to motivate them in their work.
- Investment on employee skill development is considered as very important.
- The organization promotes periodic off-the-job learning experiences both outside and inside the organization.
- Personal growth and self-knowledge are considered as important elements in improvement of management skills and in organizational success.

13.8 SEVEN STEPS OF INITIATING ORGANIZATIONAL LEARNING

The process of increasing an organization's learning capabilities does not start by selecting a favourite consultant or with the vision of the future organization. It must start with an understanding of what represents the organization's present capabilities in both learning systems and performance. The steps that provide the starting point for a continuous process of organizational learning are discussed below:

1) **Knowledge of Theory, Research and Practice:** In this first step, understanding of the different theories, research and practices that addresses the organizational learning system builds a foundation for valuing the information about the organization's actions. These theories are explanations of social phenomenon that needs to be continuously tested within the context of the organization.
2) **Understanding of Organizational Learning Systems Model:** In the second step, the many theories and research results and practices are integrated into a map. The organizational learning system provides a dynamic social basis for assessing the organizational actions of both learning and performing.
3) **Asking Questions for Inquiry:** In this third step, the organization begins the process of generating new information concerning its

learning system. The Organisational Learning Systems Model offers four sets of analytical questions, one set for each of the subsystems of learning actions. These questions are given below:

a) **New information and the Environmental Interface Subsystem:** It includes questions like-
   - What kind of information does the organization create?
   - How does the organization define its environment?
   - What are the processes used to scan the environment?
   - What role does experimentation play in developing new information?

b) **Sense making and Memory and Meaning Subsystem:** It includes questions like–
   - How is information and technical expertise stored?
   - How is this information accessed when required?
   - Does the organizational culture facilitate or inhibit information sharing?
   - What value is placed on learning and performance?

c) **Goal Referenced Knowledge and Action/reflection Subsystem:** It includes questions like–
   - To what extent are employees involved in decision-making process?
   - What criteria are used by the organization to distinguish routine issues from exceptional issues?
   - How open is the organization to critical inquiry and dialogue?

d) **Structuring and Dissemination and Diffusion Subsystem:** It includes questions like–
   - To what extent are performance data available-individual and strategic?
   - How is the role of leadership defined in the organization?
   - How are knowledge and information shared: vertically and horizontally?
   - How are success and failure documented?
   - How well established technical methods are communicated throughout the organization?

4) **Convert the New Information into Meaningful Knowledge:** In this step, the questions that are generated in the third step to generate information about the organization are valued to give answers. Information is not knowledge. An organization is not learning if it converts information into direct actions linked with performance. This type of action will not lead to learning but will lead to more confusion. The process of learning begins with understanding and assigning meaning to the information through reflection which helps to identify the strength and challenges that the organization may face in increasing its learning capacity.
5) **Analyze Inputs and Outputs of each Subsystem:** In this step, analysis is done on the new information using the context of the organizational learning system and allows the organization to develop knowledge of its strengths and challenges.
6) **Respond to the Challenges of Each Subsystem:** The challenges of each of the subsystem are–
   a) **Challenges of the Environmental Interface Subsystem are–**
      - Lack of variety of environmental interface actions
      - Inappropriate screening
      - Lack of understanding of the role of management cognition and the environmental interface system
   b) **Challenges of the Action/reflection Subsystem are–**
      - Lack of organizational reflection
      - Resistance to the dual nature of knowledge
      - Lack of readiness
   c) **Challenges of the Dissemination and Diffusion Subsystem are–**
      - Lack of information movement
      - Inappropriate alignment of roles
      - Lack of understandable policy regarding information
   d) **Challenges of the Meaning and Memory Subsystem are–**
      - Lack of cultural profile
      - Thinking that only one subsystem can be fixed at a time

7) **Take Action:** In this last step, the organization learning system contains necessary functions. The guiding function of memory and meaning subsystem is the most influential which is impenetrable to change. As it contains major links to the culture of the organization, therefore, it is difficult to manipulate. Hence, its power lies in its cybernetic relation to the other subsystems. The concept of cybernetics refers to two phenomena associated with the relative control of the subsystems in their consumption of energy and information and systems theory– the relative source of energy and information for the subsystem.



CHECK YOUR PROGRESS

Q.4: What are the four main elements in a reality checklist through which a learning organization can be identified?

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Q.5: Mention some points under leadership checklist.

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Q.6: What are the seven steps of initiating organizational learning?

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13.9 LET US SUM UP

- In today's competitive world it is very important for an organization to continuously change and improve itself through a strong commitment towards learning. There are different approaches through which the concept of a learning organization can be better understood. One such approach is given by Peter Senge who has given five learning disciplines- personal mastery, systems thinking, shared vision, mental models and team learning.
- Another approach of learning organizations has been given by Nonaka and Takeuchi. They have given the SECI model of spiral creation as per which there are four modes of knowledge conversion which form a continuous process of dynamic interactions between explicit and tacit knowledge. The four modes are socialization, externalization, combination and internalization.
- The view of a few executives on organizational learning has been discussed as they can play a key role in creating a learning organization. The reality checklist of a learning organization can be grouped under four categories– leadership, culture, structure and processes and managing people as assets. An organization can become a learning organization by implementing the characteristics mentioned in the reality checklist.
- There are seven steps of initiating organizational learning which are knowledge of theory, research and practice, understanding organizational learning system model, questions for inquiry, converting the new information into meaningful knowledge, analysis of inputs and outputs of each subsystem, responding to the challenges of each subsystem and taking action.



13.10 FURTHER READING

1) French, W. and Bell, H. C. (1998). Organisation Development. India: Pearson Education
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3) Ralphs, T. L. (2004). *Organization Development (A Practitioner's Tool Kit)*. Viva Books Private Limited.
4) Senge, P. (1990). *The Fifth Discipline*. New York: Doubleday.



13.11 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: A learning organization is an organization which aims at creating, transferring and acquiring for modifying the behaviour of employees to reflect new insights and knowledge.

Ans. to Q. No. 2: The five learning disciplines as given by Peter Senge are personal mastery, shared vision, mental models, team learning and systems thinking.

Ans. to Q. No. 3: Nonaka and Takeuchi's model states that knowledge creation results from a spiral of repeated interchanges between the two types of knowledge- tacit and explicit knowledge. This model identifies four dimensions of knowledge-socialization, externalization, internalization and combination.

Ans. to Q. No. 4: The four main elements in the reality checklist through which it can be understood whether an organization is moving closer to a learning organization are leadership, culture, structure and processes and managing people as assets.

Ans. to Q. No. 5: The points under leadership checklist are– CEOs view their role not as the commander-in-chief but as the chief supporter of people throughout the organization, the top executives' vision for business success focus on personal as well as profit aspirations,

senior executives visibly reinforce values by talking about them frequently and behaving in ways consistent with the company's stated values, top managers and CEOs spend less time in their offices and more time meeting with employees at many levels to share ideas and problems etc

Ans. to Q. No. 6: The seven steps of initiating organizational learning are- knowledge of theory, research and practice, understanding organizational learning system model, questions for inquiry, converting the new information into meaningful knowledge, analysis of inputs and outputs of each subsystem, responding to the challenges of each subsystem and taking action.



13.10 MODEL QUESTIONS

Q.1: Define a learning organization. What are its characteristics?

Q.2: Explain how Senge's five learning disciplines can help an organization to improve its performance.

Q.3: Discuss Nonaka and Takeuchi's model of organizational learning.

Q.4: Write a note on executive view on organizational learning.

Q.5: Discuss in detail the reality checklist of a learning organization.

Q.6: Explain the steps to initiate the process of organizational learning.

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UNIT 14: TRAINING EXPERIENCE

UNIT STRUCTURE

14.1 Learning Objectives

14.2 Introduction

14.3 Sensitivity or T group training

14.4 Behavioural Modeling

14.5 Career Planning Intervention

14.6 Coaching and Mentoring

14.7 Let Us Sum Up

14.8 Further Reading

14.9 Answers to Check Your Progress

14.10 Model Questions

14.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- describe training experiences in organisation
- discuss the concept of Sensitivity or T group training
- learn the Behavioural Modeling approach
- explain the Career Planning Intervention
- discuss coaching and mentoring programmes.

14.2 INTRODUCTION

In this unit, we are going to discuss some of the training experiences used in organizations. A number of training or educational experiences aimed at individuals have utility in the successful evolution of an OD effort. These OD interventions can be complementary and reinforcing to the OD process. Many different kinds of seminars and workshops can be of assistance to individuals, depending upon their experiences to date and problems faced by the organization. The three training interventions which will be discussed in this unit are: Sensitivity or T group training, BehaviouralModelling and Career Planning Intervention. Then we will discuss the importance of coaching and mentoring in training.

14.3 SENSITIVITY OR T-GROUP TRAINING

It is a technique for learning about one's self and others by observing and participating in a group situation. The T-group (T stands for Training) is a small group of 10 to 12 people, assisted by a leader who acts as a catalyst and trainee for the group. These small groups may meet for two hours or more daily for a period of a week or longer, usually off the job site. There is no specified agenda. The leader merely creates an opportunity for the group members to come out openly and express their ideas freely.

In an agenda less discussion, the group members tend to be frustrated and often do not understand why they are 'wasting' their time. One of the participants may even say, 'I don't like to waste my time like this'. Another may immediately retort, 'What do you mean by that?' A third one may reprimand the first one, 'Are you mad?' These remarks enable the first participant to realize gradually that a large part of the group disagrees with him. In this way, he is learning about people he has not known before. He is forced to re-examine his behaviour and integrate with the expectations of others in the group. The basic purpose of sensitivity training is to increase the participant's insight into his own behaviour and the behaviour of others by encouraging an open expression of feelings, in the trainer-guided T-group laboratory. It says 'Open your eyes. Look at yourself. See how you look to others. Then decide what changes, if any, you want to make and in which direction you want to go'. The basic features of T-group training may be stated thus:

- T-Group consists of 10 to 12 persons.
- A leader acts as a catalyst and provides a free and open environment for discussion.
- There is no specified agenda.
- Members express their ideas freely and openly.
- The focus is on behaviour rather than on duties.
- The aim is to achieve behaviour effectiveness in transactions with one's environment.

- **Advantages and Disadvantages of T-group Training:** The following are some of the advantages of T-group training helps participants to

learn about themselves especially their own weaknesses and emotions. They develop insights into how they react to others and how others react to them. They get an opportunity to discover the functioning of groups and diagnose human relations problems. They learn to behave more effectively in a group situation.

The following are some of the disadvantage of T-group training may create frictions among the group members. Members who are criticized or ridiculed may react negatively. The group situation, instead of promoting friendliness and cooperation, may actually create frustration and resentment among the members. Not many people in the group may take the unjustified invasion on their private worlds in a light manner. In addition to direct attacks on the emotions of people, T-group forces the members to bring out the hidden and private feelings of an individual. The negative remarks about the working of departments, policies, etc., may go against the interests of members at times. Further, even though people may be changed by the training, the sponsoring organization may not always benefit from the changes in the employees, if they do not apply the changes to their jobs.

- **Pre-requisites for T-group Training:** The following are necessary pre requisites for the success of T-group training.
  - The trainee must sincerely want to improve the human-relation skills.
  - He must be willing to look into his blind spots and mend his ways.
  - There must be permissive atmosphere where a member, exposing himself, is not ridiculed or criticized.
  - The leader must be genuinely interested in helping people improve their interpersonal effectiveness.
- **Where T-group Training is Suitable:** T-group is an excellent learning and change intervention, particularly for the personal growth and development of the individual. It is particularly suitable and appropriate in the following situations:
  1) In organic organizations where openness, trust and willingness to work cooperatively are essential features.

2) Where a climate of psychological safety is there in the organization. For instance, the person would feels safe to reveal himself in the group, to expose his feelings, drop defenses, and try to find new ways of interacting.
3) Where the group's feedback is articulate and meaningful in the organization.



CHECK YOUR PROGRESS

Q.1: Define T-group training.

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Q.2: State true or false for the following statements:

i) There is some specified agenda to conduct T-group training.
ii) T-Group consists of 10 to 12 persons
iii) T-group training helps participants to learn about their own weaknesses.
iv) T-group training is suitable for a rigid organization.

14.4 BEHAVIOURAL MODELING

Behavioural modeling is a training technique designed to improve interpersonal competence. For improving interpersonal skills, behaviour modeling is an important training option.It is an approach to training systems design which has a strong conceptual base in social learning theory.

The steps involved in behavioural modeling are simple. First determine the most pressing problems facing a target group, say, first-line supervisors. These usually consist of such issues as counseling the poor performer, correcting absenteeism, encouraging the average performer, correcting unsafe work behaviour, and so forth. Training modules for each of such problems are developed, the core of which are videotapes showing a person (model) correctly handling the situation. The specific behaviours exhibited by the model that causes success are highlighted as "learning points" – typically

these are the behavioural skills. Weekly training sessions of four hours are scheduled for each module for groups of approximately ten participants.

At the training sessions the problem situation is announced and briefly discussed. Participants then observe a videotape in which the model (who looks similar to them) successfully solves the problem by enacting specific behavioural skills. The trainees discuss the behavioural skills and then *role-play the situation* receiving *feedback from the group and the trainer* in their performance. Role-playing continues until each participant successfully masters all the specific skills. Participants then commit to practicing the new skills on the job in the coming week. At the beginning of the next session, participants report on how their new skills worked on the job. If necessary, additional practice is held to ensure mastery of the skills. Then a new problem is addressed, the model is observed on videotape, and role-playing and feedback occur until all participants learn how to solve the new problem.

In training based on modeling and social learning, care is given to facilitating three processes in the trainees:

- Attention– making sure the trainees attend to the pertinent aspects of the behavior being modeled;
- Retention– helping the trainees remembers the original observation points in the form;
- Reinforcement and motivation– using practice and positive reinforcement to translate observational learning into skilled performance.



LET US KNOW

"Learning would be exceedingly laborious, not to mention hazardous, if people had to rely solely on the effects of their own actions to inform them what to do. Fortunately, most human behavior is learned observationally through modeling: from observing others one forms an idea of how new behaviors are performed, and on later occasions this coded information serves as a guide for action."

–Albert Bandura, **Social Learning Theory**, 1977

The social learning theory proposed by Albert Bandura has become one of the most influential theories of learning and development. While rooted in many of the basic concepts of traditional learning theory, Bandura believed that direct reinforcement could not account for all types of learning.

His theory added a social element, arguing that people can learn new information and behaviors by watching other people. Known as observational learning (or modeling), this type of learning can be used to explain a wide variety of behaviors.

14.5 CAREER PLANNIG INTERVENTION

OD is aimed at shifting organizational climate to increase the integration of organization and individual goals.Also the career development aspirations of the individual member are an important element of O.D.

Career may be defined as “a continuing process through which a person engages in a sequence of development of tasks necessary for personal growth in occupational life”. The purpose of such career planning is to develop and promote high potential employees in channels where the abilities will be utilized to the fullest. One recent form of career development is called **career life planning**. This involves the application of laboratory-learning technique to career development. Career life planning is the process of choosing occupation, organization, and career paths.

Steps in Career Life Planning: Career life planning involves the following issues:

1) Determine where you are now;
2) Decide where you want to be; and
3) Developing a plan for getting where you want to be.

The basic intervention involves a sequence of steps which are discussed as follows:

Step 1: Prepare a set of career life goals. This consists of a list that usually includes career, professional, personal, and rational goals (List 1).

Step 2: Your consultant (partner) then goes through the list, reality testing, determining priorities, and looking for conflicting goals.

Step 3: Make a list of important past accomplishments or happenings, including peak experiences, things that have made you feel happy or satisfied or times when you felt most alive or real (List 2).

Step 4: Your consultant then works through a comparison of individual list (List 1) with the list of past achievements (List 2), looking for conflicts or incongruence between the two lists. The consultants point out the incongruence to his or her partner.

Step 5: The outcome of step 4 is set of firm goals with relative priorities. Then a detailed plan of action is prepared specifying how to get from where you are to where your goals indicate that you should be.

Career planning method may take one day, one week or several weeks. These activities involve generating data about oneself, analyzing the data both individually and in groups, and formulating clear goals and action plan to achieve them. The application of this method requires the help of a consultant to test and compare the individual's goals, but it may be done on an informal basis at any particular point in time. Such activities are usually recommended for people at some decision point in their lives and careers. This technique can be helpful to the individual and may also aid in improving organization system where such career concern may be blocking job activities or inhibiting the development of individual potential.

14.6 COACHING AND MENTORING

Coaching and mentoring are one of the most important parts of training. While coaching is done by an employee's immediate superior usually focuses on job performance, mentoring is usually much broader and focuses on general career and personal development. The mentor role is generally filled up by a person of higher rank from outside the employee's department. They help the employee in adjusting with new environments.

Mentoring, coaching, counseling and consulting skills can be enhanced significantly by T-group training. A number of Indian organisations have institutionalized the practice of providing mentors to their new employees as this helps in bringing a sense of belongingness in the organisation. One of

such example is Tata Consultancy Services where intensive training is provided to the mentors in order to make this practice successful.



CHECK YOUR PROGRESS

Q.3: Define Behavioural modeling.

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Q.4: Fill in the blanks with appropriate words:

i) For improving ..... skills, behaviour modeling is an important training option.

ii) For career life planning, one needs to prepare a set of career life .....

iii) Coaching is done by an employee's .....



14.7 LET US SUM UP

In this unit we have discussed different training experiences. A number of training or educational experiences aimed at individuals who have utility in the successful evolution of an OD effort. Three training interventions which are discussed in this unit are stated below:

- **T-group training** is a technique for learning about one's self and others by observing and participating in a group situation. The T-group (T stands for Training) is a small group of 10 to 12 people assisted by a leader who acts as a catalyst and trainee for the group. The aim of this training is to achieve behaviour effectiveness in transactions with one's environment
- **Behavioural modeling** is a training technique designed to improve interpersonal competence. For improving interpersonal skills, behaviour modeling is an important training option.
- **Career life planning** is another training option which involves the following issues:
  1) Determine where you are now;
  2) Decide where you want to be; and

3) Developing a plan for getting where you want to be.

The application of this method requires the help of a consultant to test and compare the individual's goals, but it may be done on an informal basis at any particular point in time. Such activities are usually recommended for people at some decision point in their lives and careers. This technique can be helpful to the individual and may also aid in improving organization system where such career concern may be blocking job activities or inhibiting the development of individual potential.



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14.9 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: It is a technique for learning about one's self and others by observing and participating in a group situation.

Ans. to Q. No. 2: i) False; ii) True; iii) True; iv) False

Ans. to Q. No. 3: Behavioural modeling is a training technique designed to improve interpersonal competence.

Ans. to Q. No. 4: i) interpersonal; ii) goals; iii) superior



14.10 MODEL QUESTIONS

Q.1: What is OD intervention and how does it fit into the organization development process? What are the key considerations while deciding on an intervention?

Q.2: Identify different approaches to classify OD interventions. Discuss and give examples of OD interventions for various target groups.

Q.3: What is "T-Group"? Discuss the basic objectives of T-group. How is T-group used to improve the effectiveness of the organization?

Q.4: Discuss the concept of behavioural modeling.

Q.5: Discuss the value of career planning for the organization. What are the issues involved in career planning and how can these is achieved through the career planning activities?

Q.6: How coaching and mentoring helps an employee?

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UNIT 15: FUTURE OF OD

UNIT STRUCTURE

15.1 Learning Objectives

15.2 Introduction

15.3 Organisation Development and Globalization

15.4 Emerging Trends in OD

15.5 Trends within the Organization

15.6 Let Us Sum Up

15.7 Further Reading

15.8 Answers to Check Your Progress

15.9 Model Questions

15.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- the future of organization development
- the relationship between organisation development and globalization
- the emerging trends in OD and
- the trends within the organization.

15.2 INTRODUCTION

This unit is about future OD.In this unit we will discuss about Organisation Development and Globalization, emerging Trends in OD,expanding the use of OD,using OD to facilitate partnerships and alliances,enhancing constant learning and trends within the Organization. Let us discuss about these concepts in the following sections.

15.2 ORGANIZATION DEVELOPMENT AND GLOBALIZATION

Globalization leads to increased interaction between people and countries and has made the world a smaller place. Because of globalization organizations are becoming more diverse and changing rapidly. So, an

organization in order to survive and be successful has to continuously keep changing and improving itself. Globalisation requires OD as it can promote worldwide standards combined with local action and thinking.

The economies of countries are continuously becoming globalised and exploring new opportunities for concentration of wealth. The workforce is becoming more diverse, educated and their needs and aspirations are changing. OD can help to shape a global economy occupied with flexible, innovative, networked and ecologically responsible organizations. As per Thomas Cummings and Christopher Worley, OD in future will develop interventions that make large number of organizations effective, more concentrated on organizational learning and innovation, support technological and managerial innovation and promote ecologically sustainable and socially diverse practices.

An OD practitioner also needs communication, negotiation and networking skills to help organizations adapt to the changes in a global economy. The organizational leaders can also play a significant role in helping their organization to meet the global challenge. They need to get a better understanding of the new and global market. They have to understand how change is affecting their organization and how well they are coping with these changes. OD practitioners can help an organization to cope with these changes and sustain in a global economy.

15.4 EMERGING TRENDS IN OD

The emerging trends in OD are discussed below:

1) **Expanding the use of OD:** OD is becoming necessary for dealing with the challenges which are resulted by the global forces. Because of globalisation and changes in technology, the level of competition is very high. Since organisations can gain information through benchmarking and technology, competitive advantage relies on the abilities of the employees to capitalise, analyse and utilise the information.

   OD interventions which can help in maximising the performance of employees are limited to the two types as mentioned below:

- Those interventions which provide the climate and tools which motivates constant learning. In order to build strong interpersonal skills, it helps the employees to work as teams and manages and reduces conflicts in all parts of the value chain.
- Those interventions which align the dynamics in the organisation such as strategy, organisational design, culture, vision and compensation.

A few authors have given their opinion regarding the use of OD. They are as follows:

1) According to Michael Porter (1998), the competitive advantage of business environment relies on relationships, knowledge and motivation so that it cannot be copied by competitors.
2) Charles Handy laid emphasis on making and improving the lives of their employees, developing and building self-confidence as well as having the willingness to bring changes in the future organizations.

2) Combining traditional "hard" business competencies and OD: The next emerging trend in OD is combining hard traditional business competencies with OD, where business managers have to lead and guide their units as well as manage them by applying OD skills regularly.

Traditional management consulting process is also influenced by OD which provides an opportunity to the OD practitioners for transferring their key competencies through training and coaching.

OD skills required by management consultants and managers: Future business managers are required to implement the guiding forces that are mission, value system and vision in the organisation by creating and applying the appropriate culture which is achieved by creating policies as well as by modelling which are in alignment with the forces. So, it is the responsibility of the business managers to recruit the right candidate who fits into the culture of the organisation by using behaviour related competencies.

According to C. K. Prahalad, future business managers will have to administer various types of changes at the same time. They must

learn to adapt quickly as well as to motivate and help their employees to manage outsourcing relationships. Such changes will help the business managers to think and learn strategically. Thus, in order to make accurate changes, managers need to listen to their employees as well as their customers.

Traditional business skills needed for OD practitioners: A good OD practitioner will have a firm understanding of objectives, matrices, strategies and business language. The basic objective of all OD practitioners is to enhance their organisation by making it more efficient, increasing revenues and saving money. They must select those matrices which are used for their clients.

Glen H. Varney has identified the following "hard" competencies which are required by the OD practitioners which are discussed below:

Business management Skills: Planning, organising, staffing, directing, controlling, strategy, budgeting and reporting skills.

Program evaluation skills: Ability to evaluate quality and productivity, efficiency and effectiveness of programs and performance management.

Finance skills: It can be stated as a basic understanding of finance, cash flow analysis, profit and loss, fixed and variable cost of doing business, overhead, income statement analysis, balance sheet, return on investment/sales and profit margins. Statistical tests like T-tests, standard deviation, statistical analysis and correlation analysis.

Operations skills: A necessary understanding of Total Quality Management, manufacturing, customer service, and call centre operations.

Human resources skills: A basic understanding of labour relations and reward and recognition.

Marketing and sales skills: An understanding of market research and distribution channels is important.

Information systems skills: An essential understanding of information systems, problem-solving and decision support systems with decision-making which assist organisations is required.

OD can be measured in by two ways:

a) **Evaluation feedback**: It is carried out at the final stage and analysed whether the stated objectives are achieved or not.

b) **Implementation feedback:** It is done to find out whether the intervention is carried out as per the plan or not.

3) **Creating whole system change:** It takes a longer time and higher cost to bring about a change in whole system but the results achieved are long lasting and effective. The process of changing whole system includes understanding strategic business model of a firm and constructing organisation design, compensation and culture, etc. all in an aligned form.

Drucker, 1997, argued that organisation design and culture are important for the success of a company. Though organisations differ but some common challenges can be easily met through same organisation design and cultures which include retention, maximisation of flexibility, implementation, empowerment and learning, etc. In satisfying each one of these challenges the organisation enhances its capability to improve its bottom line and serves its customers in the following ways.

a) **Maximising flexibility:** Organisations in order to be more flexible need to adapt to constant change. Organisations will require important features like strong core competencies, flexibility, commitment to individuals etc.

b) **Retention:** It is important to design organisation to enable them to hire, retain and develop employees. To retain right kind of employees the company must develop a portfolio of skills that are transferable, providing recognitions and compensation to employees.

c) **Globalisation:** One of the major challenges faced by a company today is to think globally for taking the benefits of economies of scale and a number of strategies which exists in large organizations.

d) **Empowerment:** A highly empowered firm is one in which everyone feels that they have a potential to influence the organisation for

its own good. Such an organization starts with appropriate culture emphasising on honesty and openness and are less hierarchical and bureaucratic.

e) **Implementation:** Companies due to world-wide forces need to restructure themselves in such a way that the implementation of decisions and processes become possible. The company's structure should be in line with its strategy.

4) **Using OD to facilitate partnerships and alliances:** Organisations feel that partnership and alliances will continue to be very important since the success of partnership and alliances will depend upon culture, relations, communications and design which make it obvious that OD will play an important role in making all of them work. Therefore, utilising OD to facilitate partnership and alliances is an upcoming trend. Since partnership and alliances are unstable, the management should also prepare them to be more flexible in order to cope up with uncertainties.

It is advisable for firms to take help of external facilitators to help manage the process as such alliances need active management of relationship over time. The facilitators must extend help in defining the parameters of relationship which can prevent avoidable conflicts at the time of promoting cooperation.

OD plays an active role to facilitate the process of partnership and alliances through interventions like team building, new team development and maximisation of diversity etc. A new set of incentives are needed by people who are involved in partnership relating to their new roles and positions.

OD practitioners should use interventions to make sure that these new incentives are aligned with the firm as well as with goals of the alliance. OD practitioners in facilitating alliances and partnership should try and fulfil the following gaps which generally results in conflict that are difficult to resolve: communication gap, cultural gap, skill understanding gap, information gap and timing gap.

OD practitioners can help firms in maximising the mutual learning by helping them design appropriate learning systems. A collaborative

relationship learning system will be different from the one in which partner's try to seek learning skills from one another rather than with each other. Proper dialogue helps in enhancement of communication as well as learning. Mentoring and coaching relationship will help one company in teaching specific skills to other company.

5) **Enhancing constant learning:** Learning at a faster rate can be defined as one of the major forces which are required to maintain a competitive advantage. Continued learning enables a firm to gain an improved understanding of how alignment is to be changed with developing customer's needs and market dynamics. Since the charge of change is constant it becomes difficult for companies to allocate time for employee education. Therefore, there is a critical necessity for combining process of work accomplishment and learning so that employee can perform both together.

Learning organisations are extremely important for the success of an organization. OD practitioners can use interventions which can help a firm and its members learn quickly the traditional training, computer and distance learning, etc. These interventions include knowledge management, systems thinking and learning organisations, creation and leveraging of community practices, improvement in employee ability to learn, group reflection and scenarios planning, etc. The challenge here is to analyse which tool is to be utilised with which companies at what time and how. They are discussed below:

a) **Knowledge management:** Knowledge management remains a crucial factor in enabling firms to increase competitive advantage, increase profits and future success. It is a systematic learning of information and expertise aimed at improving organisational innovation, responsiveness, competencies and productivity, etc. But, successful designing and execution of a knowledge management system requires the OD viewpoint. Knowledge management is aligned to culture and performance management system, technology; skills set of firm and reward system, etc. to motivate use of such systems as driven by knowledge management.

b) **Improvement in employees learning abilities:** Different methods can be employed to improve the learning abilities of an employee. Most of the individuals are trained by society to understand their own contribution in a situation rather than blaming others in case of failures. Argyris, 1991 states that retaining unilateral control, maximisation of winning and losing, suppression of negative feelings and to be highly rational are some basic values of human tendency used at the time of exploring reasons to failure. Here OD practitioners must help individuals to be less defensive to enable learning.

c) **Leadership/executive development:** Organisations execute formal programs to develop their present and future leaders or executives. The use of 360 degree feedback tool helps the firm receive the feedback on their executives and leaders performance which is typically followed by development of plan usually done through coaching. Moreover, some organisations use their own trainers to develop their executive and leaders skills and knowledge.

d) **Community of practices:** It is a network of employee across the firm which helps in sharing knowledge for better serving the customers. It is a good source of creating a learning environment while working on a job. OD practitioners can use a number of strategies to use community of practices to enhance organisational learning. Most importantly, creation of network opportunities can help to learn who knows what and how to build relationship with each other.

e) **Group reflection and scenario planning:** Today's organisations are building time for reflection into work processes requiring employees at both individual and group level. Group reflections starts with the need of identifying and focusing on specific learning opportunities followed by capturing learning through group reflections and outside observations. This also includes synthesis, analysis and data coding to identify and define learned

lessons. The last step involves sharing of what have been learned by teaching others. Scenario planning helps employees to explore possible future experiences giving them an opportunity to learn and prepare.



CHECK YOUR PROGRESS

Q.1: How is OD related to globalisation?

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Q.2: Mention a few emerging trends in OD?

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15.5 TRENDS WITHIN THE ORGANIZATION

Business organisations these days are laying more and more emphasis on their core activities, outsourcing contract work and are intensifying their co-operation with other firms. Such processes have resulted in development of even larger international inter-organisations.

Today, tailor-made products or services are more in demand to meet the customers' requirements. Such trends have resulted in making business operations more flexible and have enhanced the co-operation between firms and the individuals working in those firms.

The trends that can be observed occurring within the organisation are:

1) **Moving from hierarchy to network:** The trends have resulted in changes in the internal organisation where the traditional hierarchical organisations have been replaced by the network organisation consisting of networks of individuals and organisations. Such a shift can be stated as a fundamental trend where the authority-based relationship between employee and their managers are left abandoned.

   Such a shift can be stated to have the following implications–

a) In an organisation many relational networks between the groups of the employees originate. The creativity and activity of such invisible networks influence the actual course and success of an organisation
b) Moving from formal and rigid organisations to more inflexible formal one results in change in corporate image and is noticeable in external relationships of the organisation also.
c) Adaptation and transformations mutual agreements will remain dominant whereas as hierarchical influences and decisions will fall
d) Greater levels of authorisation will be received by employees at lower levels thereby reducing the hierarchal levels.
e) Sales and purchasing staff will be communicating more with third parties like suppliers and customers, etc.
f) Employees will work in teams where high degree of independence will be provided to them regarding work decision.
g) Emphasis will be levied on standardisation of components of processes, products and services etc.
h) Employees in such organisation will use a broader task definition.

   Therefore, it can be said that employees as well as companies will co-operate more intensively. The co-operation will fall into two broader forms. The first form includes cooperation in respect to production which comprises of chain of transporters, suppliers,

manufacturers, distributors or sellers of products or services. In regard to the second form, the cooperation support will take place among companies which support and supply business processes, infrastructure and human organisation of other companies.

2) **Stability and flexibility:** The shift from hierarchy to network organisation decision is related to choice between stability and flexibility. Flexibility comes from the matters which are fixed and static for long time period. Standardisation results in stability maintenance. In hierarchical organisation, large business processes are standardised and goods and services are made uniform which are achieved at the cost of flexibility. On the other hand, flexibility is derived from matters determined and handled on the basis of current events.
3) **IT facilitating network organisation:** Network organisations to execute, co-ordinate and control their work require forming agreements and supplying one another sufficient information and knowledge. With enhancement of scope of operations and flexibility to meet customer needs, organisation requires a much stronger communication. For large organisations, it becomes difficult to control and coordinate operations as they lack the resources for meeting communication needs. Such organisations earlier, used to purely depend on hierarchical structure to control these complex functions of coordination. In this organisation form, there stands a lesser need for communication among participants. Network systems are efficient in supporting the communication required within the companies.
4) **Flexible utilisation of human resource:** Dynamics of firms and their environment also calls for dynamics of its operations, human and other resources. For this, creativity and flexibility of human resources is compulsory. It helps the company to not only adapt and alter itself to changes in environment but also influence them. There are various forms of flexible use of people. First, there are flexible working locations and hours; temporary jobs, working in project, on calls, etc. The second type of flexibility is concerned with

skills and knowledge of employees. Individuals working in teams are able to switch their roles flexibly and effectively. Different activities and tasks are executed in teams alternatively or simultaneously. In order to become flexible, firms have to learn at fast rate from the environment changes and their own behaviours. It results in quicker innovation and improvements.

5) **Personal responsibility:** The positions of people are changing in organisation as they are now trained and educated. Employees of today wish to be directly involved in the policy of company and business process control. They wish to be responsible more personally and give importance to personal growth and development. Such personal involvement can be achieved by working in multidisciplinary teams.

The flexible ways of working in such teams are best suited for assuming personal responsibilities to one's own work, career and development as well as for authority delegation. Moreover, teamwork reduces risk of employee isolation or solo operations. This results in change in personnel management. Flexibility, here, implies that functions are decided more and more by employees, teams, managers, etc. Individual results are here given a greater importance. The contribution of such results of company is increasing. It is very important for OD practitioners to be aware of these emerging trends within organizations.



CHECK YOUR PROGRESS

Q.3: Mention a few emerging trends within the organization.

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Q.4: What are the advantages of network organizations over traditional hierarchical organizations?

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15.6 LET US SUM UP

- OD is very important for organizations today and will continue to play an important role in the success of organizations in the future also. Organizations will need the help of OD to sustain in this fast changing and globalised world.
- A few emerging trends in OD has been discussed like expanding the use of OD, combining traditional "hard" business competencies and OD, creating whole system change, using OD to facilitate partnerships and alliances and to enhance constant learning.
- Few trends within organizations are that today's organizations are moving from traditional hierarchies to network organizations which has led to flexible use of human resources and information technology, and increased personal responsibility of employees.



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15.8 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: Globalization leads to increased interaction between people and countries and has made the world a smaller place. Because of globalization organizations are becoming more diverse and changing rapidly. So, an organization in order to survive and be successful has to continuously keep changing and improving itself. Globalisation requires OD as it can promote worldwide standards combined with local action and thinking. OD in future will develop interventions that make large number of organizations effective, more concentrated on organizational learning and innovation, support technological and managerial innovation and promote ecologically sustainable and socially diverse practices.

Ans. to Q. No. 2: A few emerging trends in OD are expansion of the use of OD, combining traditional "hard" business competencies and OD, creating whole system change, using OD to facilitate partnerships and alliances and to enhance constant learning.

Ans. to Q. No. 3: A few emerging trends within organizations are that today's organizations are moving from traditional hierarchies to network organizations, stability and flexibility, IT facilitating network organizations, flexible use of human resources, and increased personal responsibility of employees.

Ans. to Q. No. 4: The advantages of network organizations over traditional hierarchical organizations are–

a) They promote creativity.
b) Results in change in corporate image and is noticeable in external relationships of the organisation also.

c) Lead to increased adaptability and decisions are based on mutual agreements.

d) Provides greater autonomy to employees at lower levels.

e) Sales and purchasing staff can communicate more with third parties like suppliers and customers, etc.

f) Employees work in teams where high degree of independence is provided to them regarding work decision.



15.9 MODEL QUESTIONS

Q.1: Explain in detail the emerging trends in OD.

Q.2: Explain how OD is related to globalisation.

Q.3: Discuss the emerging trends within organizations.

Q.4: Write a note on the future of OD.

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Name of the Paper: .....
Course Code: .....

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Learner's Feedback on Course

Dear Learner,

Regarding the course as mentioned above, we would like to know your opinions and comments so as to improve the quality of self learning materials in future. Please respond to the following statements by ticking the number you feel most reflect your opinion. After completion of the additional comments, please detach the page and send/mail the same to us at the address given below.

The Director, Centre for Internal Quality Assurance, KKHandiqui State Open University
Housefed Complex, Dispur, Guwahati-781006
(E-mail id: ciqa@kkhsou.in)

1) Approximately how many hours did you spend for studying the units in the course? ☐☐☐

2) Please give your opinions (by ✓ mark) to the following items based on your reading of the block:

Sl. No.	Statements	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I)	The SLMs of the course fulfil the learning objectives set out in the beginning of each unit					
II)	The units of the SLM could satisfy my academic needs and expectations					
III)	The Unit writers have excellent knowledge about the course contents					
IV)	Language and contents of the units were presented at a level which I could readily understand					
V)	Ample opportunity for participation in the activities provided in the units					
VI)	Used enough Illustrations (Diagrams, tables etc.) for conceptual clarity					
VII)	Quality of content is engaging, relevant, and up-to-date					
VIII)	The self check questions are very helpful					
IX)	The Possible/model questions and the answers to check my progress have benefited me a lot					

Additional Comments: *(Please feel free to provide your open comments)*

1) Which aspects of the SLM, according to you, worked well?

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2) What sort of changes/improvements do you feel KKHSOU could implement to improve the overall quality of the SLM?

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Thank you for taking the time to complete this form.