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Organizational Development

(HRM Specialisation)

SEMESTER - VI

BUSINESS ADMINISTRATION

BLOCK - 1

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

Subject Experts

1) **Prof. Nripendra Narayan Sarma,** Maniram Dewan School of Management, KKHSOU.
2) **Prof. Munindra Kakati,** VC, ARGUCOM
3) **Prof. Rinalini Pathak Kakati,** Department of Business Administration, GU

Course Co-ordinator : **Dr. Chayanika Senapati,** Asst. Prof., KKHSOU
Dr. Smritishikha Choudhury, Asst. Prof., KKHSOU

SLM Preparation Team

UNITS	**CONTRIBUTORS**
1 and 2	**Dr. Chayanika Senapati,** KKHSOU
3	**Mrs. Karabi Goswami,** NERIM and **Dr. Chayanika Senapati,** KKHSOU
4	**Mrs. Karabi Goswami,** NERIM
5	Retd. **Prof. U R Dhar,** GU and **Dr. Chayanika Senapati,** KKHSOU
6	**Sweta Jalan,** NERIM
7	Retd. **Prof U R Dhar,** GU

Editorial Team

Content :

1 and 2	**Dr. Smritishikha Choudhury,** KKHSOU
3 and 4	Retd. **Prof. U R Dhar,** GU
5,7	**Prof. Nayan Baruah,** Gauhati University
6	**Dr. Chayanika Senapati,** KKHSOU
Structure, Format & Graphics:	**Dr. Chayanika Senapati,** KKHSOU
	Dr. Smritishikha Choudhury, KKHSOU

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Headquarters: Patgaon, Rani Gate, Guwahati-781017
City Office: Housefed Complex, Dispur, Guwahati-781006; Web: www.kkhsou.in

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ORGANISATIONAL DEVELOPMENT

(HRM SPECIALISATION)

Block 1

DETAILED SYLLABUS

		Page No.
UNIT 1:	**Organization Design** Meaning and Importance of Organising, Meaning of Organisation and its characteristics,Principles of Organisation,Types of Organisational Structure,Span of Control and types of Departmentation	**9-35**
UNIT 2:	**Organizational Culture** Concept of Organizational Culture, Characteristics of Organizational Culture, Functions of Organizational Culture, Factors Influencing Organizational Culture, Types of Organizational Culture, Reasons for changes in Work Culture and Managing across culture	**36-49**
UNIT 3:	**Organizational Change** Introduction on Organisational Change, Forces of change – External and Internal, Strategies for change, Types of organizational change, Theories of Planned Change, Action Research as a Process, Resistance to Change, Methods to overcome por minimise the resistance to change and Change Agents	**50-65**
UNIT 4:	**Values and Ethics in OD** Professional Values in OD, Value Conflict and Dilemma , OD Values and Changing Themes over Time, Ethics in OD, Ethical Dilemmas in Practicing OD and Factors that Influence Ethical Judgement	**66-78**
UNIT 5:	**Models and Process of Management of Organizational Change** Planned Change, Models and Theories of Planned Change, Systems Theory, Socio technical Systems Theory and Open Systems Planning, Participation and Empowerment, Teams and Teamwork, Parallel Learning Structure,Normative Re-educative Strategy of Change, Applied Behavioural Science, Action Research and Phases of the Mode.	**79-100**
UNIT 6:	**Managing Resistance to Change** Concept of Resistance to Change, Types of Resistance to Change, Reasons of Resistance to Change, Individual resistance to change, Organisational resistance to change, Social resistance to change, Managing resistance to change, Methods for dealing with Resistance to	**101-120**

change, Overcoming resistance to change and group as a means of overcoming resistance to change

UNIT 7: Organizational Development: An Introduction **121-132**

Definition of Organizational Development (OD), Objectives of OD, Characteristics of OD, Historical Background, Second-Generation OD, Values, Assumptions, and Beliefs in OD and Implications of OD Values and Assumptions

COURSE INTRODUCTION

This course “Organizational Development” of BBA 6th semester will focus on the different aspects of Organizational Development. The course is about organizational development-aprocess that applies abroad range of behavioural science knowledge and practices to help organisations build their capacity to change and to achieve greaterness of effectiveness

This course consists of fifteen units. This course starts with the unit discussing the concept of the introduction to Organisation Development.This course sets out to identify the key ingredients for successful change and to set out a range of concepts and techniques to help people handle change more effectively.

This course offers an integrated perspective for organisational development contexts. The course has 15 units and is divided into two blocks: Block 1 and Block 2.

Block 1 deals with the concepts of Organization Design, Organizational Culture , Organizational Change, Values and Ethics in OD, Models and Process of Management of Organizational Change, Managing Resistance to Change, Organizational Development: An Introduction and Process of Organizational Development

Block 2 concentrates on Organizational Development Models, OD Interventions, Process of OD Interventions, Teams and team Building, Training Experiences, Issues in Consultant-Client Relations and The Future of OD.

Each unit of these 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

BLOCK INTRODUCTION

This is the first block of the course 'Organisational Development'. The Block is divided into 7 units and is primarily a learner oriented Self Learning Material, as it satisfies the requirements of the learners in the filed of 'Organizational Development'.

This block comprises of the following seven units:

The first unit introduces us to meaning and Importance of Organising, Meaning of Organisation and its characteristics,Principles of Organisation,Types of Organisational Structure,Span of Control and types of Departmentation.

The second unit gives us a concept of concept of Organizational Culture, Characteristics of Organizational Culture, Functions of Organizational Culture, Factors Influencing Organizational Culture, Types of Organizational Culture, Reasons for changes in Work Culture and Managing across culture

The third unit gives us an idea on the Introduction on Organisational Change, Forces of change – External and Internal, Strategies for change, Types of organizational change, Theories of Planned Change, Action Research as a Process, Resistance to Change, Methods to overcome por minimise the resistance to change and Change Agents

The fourth unit will help us in understanding the professional values in OD, Value Conflict and Dilemma, OD Values and Changing Themes over Time, Ethics in OD, Ethical Dilemmas in Practicing OD and Factors that Influence Ethical Judgement

The fifth unit gives us a idea on Planned Change, Models and Theories of Planned Change, Systems Theory, Socio technical Systems Theory and Open Systems Planning, Participation and Empowerment, Teams and Teamwork, Parallel Learning Structure,Normative Re-educative Strategy of Change, Applied Behavioural Science, Action Research and Phases of the Mode.

The sixth unit will help us in understanding Concept of Resistance to Change, Types of Resistance to Change, Reasons of Resistance to Change, Individual resistance to change, Organisational resistance to change, Social resistance to change, Managing resistance to change, Methods for dealing with Resistance to change, Overcoming resistance to change and group as a means of overcoming resistance to change.

The seventh unit gives us an idea on concept of Organizational Development and its background.

The Block is devided into seven units:

UNIT 1: Organization Design

UNIT 2: Organizational Culture

UNIT 3: Organizational Change

UNIT 4: Values and Ethics in OD

UNIT 5: Models and process of Management of organizational change

UNIT 6: Managing resistance to change

UNIT 7: Organizational Development: An Introduction

UNIT 1: ORGANIZATION DESIGN

UNIT STRUCTURE

1.1 Learning Objectives

1.2 Introduction

1.3 Meaning and Importance of Organising

1.4 Meaning of Organisation and its characteristics

1.5 Principles of Organisation

1.6 Types of Organisational Structure

1.7 Span of Control

1.8 Types of Departmentation

1.9 Let Us Sum Up

1.10 Further Reading

1.11 Answers to Check Your Progress

1.12 Model Questions

1.1 LEARNING OBJECTIVES

After going through this unit you will be able to:

- discuss the concept and importance of organizing,
- understand the meaning and importance of organization
- familiarise yourself with different types of organisational structures alongwith their advantages and disadvantages,
- learn about span of control and about departmentation

1.2 INTRODUCTION

This is the first unit of the course “Organization Development”.In this unit you will study how to arrange the various resources including employees in an institution or organization to get the expected results. Often you may come across the term ‘Organising’ in your daily life such as organising a conference, a meeting, a picnic, a get together, a marriage party etc. Organising aims to co-relate people to each other and enable them to work together for a common purpose. The organised group of

people in a collective sense is known as organisation. Here, you will learn the meaning, importance, principles and other related aspects of organising.

You must have observed the various functions organised in your locality or city by various institutions to organisations. You may have noticed that they have applied various process for doing so. It is therefore, best for you to understand the term organising first.

1.3 MEANING AND IMPORTANCE OF ORGANISING

Meaning of Organising:

The term 'organising' means systematic arrangement of activities. It refers to the method in which the work of a group of people is arranged and distributed among them to achieve the desired objectives of an organisation. Organising is bringing together various resources (physical, financial and human) and establishing relationship among the resources for achieving common objectives.

Thus, organising is the process of establishing orderly uses for all the resources available. The primary focus of organising is determining both what individual employees will do in an organisation and how their individual efforts should be combined for attaining the specific objectives.

The term 'organising' is not same as the term 'organisation' Organising is a function of management where as organisation refers to a group of people who are working together to ahieve some common objectives.

As a management function, the term 'organising' refers to the process of -

a. bringing together human and non- human resources (e.g. materials, machines, money, men), and
b. defining and establishing the authority responsibility relationships for achieving the objectives.

Louis. A . Allen states "Organising is the process of identifying and grouping the work to be performed, defining and delegating responsibility

and authority, establishing relationships for the puspose of enabling people to work together most effectively in accomplishing objectives."

Koontz and O' Dounell define Organising as "the establishment of authority relationships with the provision for co-ordination between them both vertically and horizontally in the enterprise"

A study of the above definitions shows that organising involves in :

a) identifing and grouping of work,
b) defining the responsibility,
c) delegating of authority,
d) establishing of structural relationship and
e) co-ordinating interrelated activities.

Importance of Organising

The Organising function is extremely important in management process as it is the primary mechanism in the hands of managers to organise the plans. Organising creates and maintains relationship between all organisational resources by indicating which resources are to be used for specified activities and when, where, and how they are to be used. A thorough organising effort helps managers to reduce the possibility of duplication of efforts and also idle or unutilised resources.

The importance of organising is briefly explained below :

1. **Organising increases managerial efficiency** as it avoids delays, duplication or confusion in performance and removes friction or rivalry among employees. All activities are spelled out in order of their importance and are alloted to individuals as fixed duties. The assignment of fixed duties provide certainty and promptness in the doing of the work without any hassle.
2. **It Promotes Specilization :** The detailed job specifications help to place the right persons in the right jobs on the basis of their knowledge, skill and experience. By matching jobs with individuals and vice-verse, organisation enlists both the benefits of functional and occupational specialisation.
3. **It ensures flow of activities :** Organisation structures are developed on scientific management basis (i.e. time, motion and fatigue study) to

ensure logical flow of activities. Through the study of scientific management the activities and assignments are arranged in such a manner that it facilitates their performance in an easy and comfortable manner.

4. **It Clarifies Authority and Power :** The process of organising clarifies the authority of management of the different departments. This minimises the conflict and confusion about the powers of managers.
5. **It acts as a source of Support, Security and Satisfaction :** It provides a definite status, position in relation to others within the organisation.
6. **It ensures better communication :** Organisation structure provides a network of relationships. This makes interaction and communication among the members and departments of the organisation more effective.
7. **It stimulates creative and innovative thinking :** Identified areas of work and delegaion of proper amount of authority promote creativity and innovativeness among the empolyees, in their respective fields as well as in the organisation as a whole.
8. **It helps in the smooth Delegation of Authority:** Executive can delegate the authority downwards so that they can get the things done smoothly. It also helps in fixing up the responsibility for the task. A good organisation will clearly define the authority-responsibility relationship.
9. **It provides scope for training and development:** Management personnel are trained to acquire a wide and varied experience in diverse activities by their placement in different jobs through job rotation and thus they are prepared for higher jobs which require generalists rather than specialists. For example if bumper crop production is the objective, the organising process can be divided into major tasks such as tilling, planting, fertilisation, watering, allocating resources like equipment and manpower etc.

Thus, organisation is the result of the organising process. Let us discuss it in detail in the following sections

1.4 MEANING OF ORGANISATION AND ITS CHARACTERISTICS

Meaning of Organisation :

Organisation is the structural framework of duties and responsibilities required of personnel in performing various functions with a view to achieve organizational goals. Management tries to combine various activities to accomplish predetermined goals. Organisation is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. In an organisation, the work of each and every person is defined and authority and responsibility is fixed for establishing the same.

According to *Koontz and O'Donnell*, "The establishment of authority relationships with provision for coordination between them, both vertically and horizontally in the enterprise structure."

In the words of *George R. Terry,* "Organising is the establishment of effective authority relationships among selected work, persons and work places in order for the group to work together efficiently."

According to *L.H Haney,* "Organisation is a harmonious adjustment of specialized parts for accomplishment of some common purpose or purposes."

Characteristics of Organisation

The following are the important characteristics of organization.

- **Specialization and division of work.** The entire philosophy of organization is centered on the concepts of specialization and division of work. The division of work is assigning responsibility for each organizational component to a specific individual or group thereof. It becomes specialization when the responsibility for a specific task lies with a designated expert in that field. The efforts of the operatives are coordinated to allow the process at hand to function correctly. Certain operatives occupy positions of management at various points in the process to ensure coordination.

- **Orientation towards goals.** Every organization has its own purposes and objectives. Organizing is the function employed to achieve the overall goals of the organization. Organization harmonizes the individual goals of the employees with overall objectives of the firm.
- **Composition of individuals and groups.** Individuals form a group and the groups form an organization. Thus, organization is the composition of individual and groups. Individuals are grouped into departments and their work is coordinated and directed towards organizational goals.
- **Continuity.** An organization is a group of people with a defined relationship in which they work together to achieve the goals of that organization. This relationship does not come to end after completing each task. Organization is a never ending process.
- **Well defined authority-responsibility relationships.** An organisation consists of various positions arranged in a hierarchy with well-defined authority and responsibility. There is always a central authority from which a chain of authority relationship stretches throughout the organisation. The hierarchy of positions defines the lines of communication and pattern of relationships.
- **Cooperative relationships.** An organisation creates cooperative relationship among various members of the group. An organisation cannot be constituted by a single person. Organisation is a system which helps in creating meaningful relationship among persons.

1.5 PRINCIPLES OF AN ORGANISATION

1) **Principle of Objective :** The objective of the Organisation should be in clear terms. It should be to the point and precise in nature. There should be unity in the procedures of each and every department within the Organisation so that the objectives are laid down properly.
2) **Principle of Unity of Command :** In order to avoid conflict and miscommunication each and every employee should report to one person. The main head should be one so that the employees are not confused and they can be guided by a single individual.

3) **Principle of Inter-Related Function :** Today in an Organisation there exists various departments and each department is mutually exclusive from each other. The functions of each and every department may be different but they must be consistent with each others' functions. This way the objectives and the functions are coordinated amongst themselves.
4) **Principle of Definition :** The responsibilities, the duties, etc have to be clearly defined for each and every individual because if it is not defined properly, then the tasks would not be completed in time.
5) **Principle of Span of Control :** It is the maximum number of persons that a supervisor can effectively supervise in order to get the things done. It is always limited to a certain number. The most common number of employees or persons under a supervisor is 6.
6) **Principle of Chain of Authority :** "Who reports to whom" is the main concern behind this principle. This chain should be well defined in order to get the work done properly. Every employee within the Organisation should know whom to report to.
7) **Principle of Commensurate Authority and Responsibility :** When an employee is given the responsibility to do certain kind of work, he should also be given the authority to perform the job. Otherwise, given only the responsibility, he would not be able to justify his work.
8) **Principle of Flexibility :** The Organisational structure should be flexible enough in order to incorporate necessary changes according to the needs of the Organisation as well as the environment.
9) **Principle of Division of Work :** In order to facilitate or speed up the work, the Organisation should divide the work into certain groups like the departments, sections or on individual basis. This would lead to effective amount of work done in less time.
10) **Principle of Continuity of Operations :** This principle is important for the continuation of the activities in order to have a stable continuous performance of the employees.
11) **Principle of Work Assignment :** Every employee has some strengths and talents associated with them. So the Organisation should assign

the jobs to the employees according to their strengths so that the work is done perfectly.

12) **Principle of Ultimate Responsibility :** By this principle it is meant that the higher authority is responsible for all the acts that his subordinates do. If the subordinate commits any mistake, then the higher authority should take the responsibility instead of blaming the subordinate.

13) **Principle of Discipline :** Discipline is the backbone in each and every Organisation. Without it, no Organisation can achieve success.

14) **Principle of Employee Participation :** An employee is the most important asset in an Organisation. Their opinions also matter to the Organisation. So the employees must be encouraged to participate in the decision making process so that they feel much more important and recognized , which would lead to motivation in working better for the Organisation. Although, the main decision power lies with the higher authority.



CHECK YOUR PROGRESS

Q 1: Define Organisation

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.....

Q 2: Write any four principles of an Organisation

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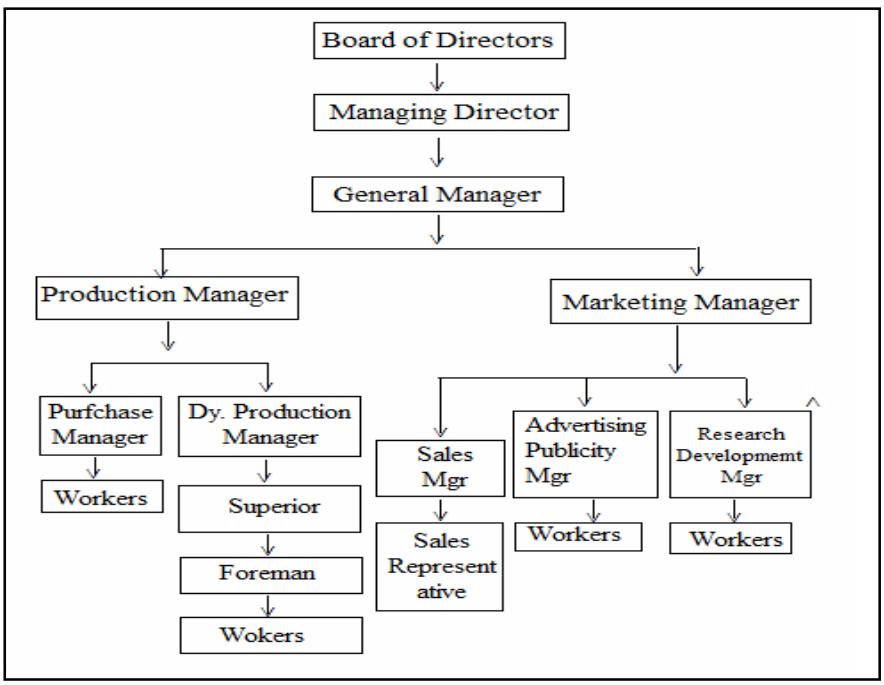
1.6 TYPES OF ORGANISATIONAL STRUCTURE

The term organisational structure explains the positions and official relationships among the various individuals working in an organisation. It simply means the systematic arrangement of people working for the organisation in order to achieve certain goals. It is the framework of authority relationship among the employees.

The structure may be of different types depending on the nature, method, process, technology and the social environment of the enterprise. The different types of the structure are given below:

a. Line Organizational Structure

A line organisation has only direct, vertical relationships between different levels in the firm. There is only line departments-departments directly involved in accomplishing the primary goal of the organisation. For example, in a typical firm, line departments include production and marketing. In a line organisation authority follows the chain of command. The line structure is the oldest from of organisation this is also known as the 'Military Organisation' as a military organisation is formed in this fashion. The concept of line structure may be explained by means of a diagram



Some of the advantages of a pure line organisation are:

i) A line structure tends to simplify and clarify responsibility, authority and accountability relationships. The levels of responsibility and authority are likely to be precise and understandable.

ii) A line structure promotes fast decision making and flexibility.

iii) Because line organisations are usually small, managements and employees have greater closeness.

However, there are some disadvantages also. They are:

i) As the firm grows larger, line organisation becomes more ineffective.

ii) Improved speed and flexibility may not offset the lack of specialized knowledge.

iii) Managers may have to become experts in too many fields.

iv) There is a tendency to become overly dependent on the few key people who can perform numerous jobs.

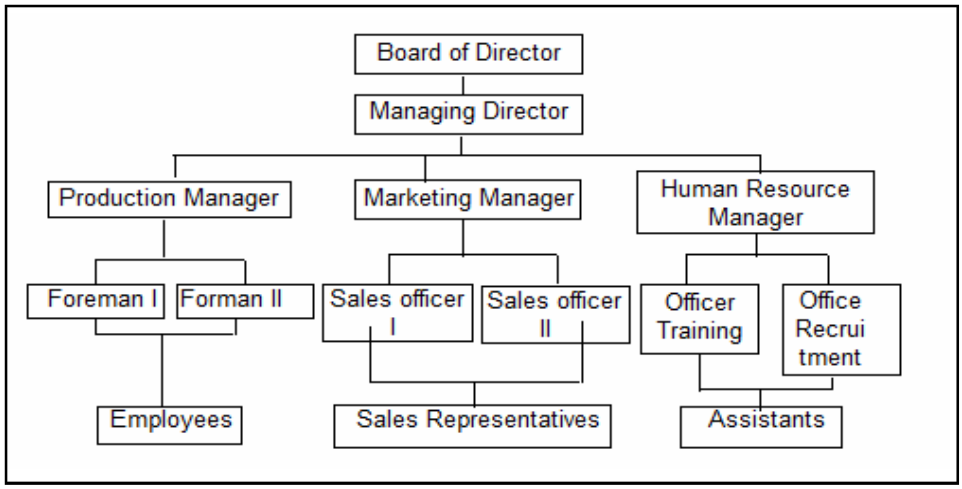
b. Staff or Functional Organisational Structure

In this type of structure, there will be separate departments to look after different lines of activities. F.W. Taylor is the exponent of the Functional Organisation Structure. Here, the functions are done through specialised knowledge and advice. The departments are formed on the basis of the division of work and, hence, the efficiency of production and the skills of the employees are improved. Co-ordination and co-operation are enhanced to a great extent. The subordinates receive instructions not from one superior but from several functional specialists. Thus, the subordinates are accountable to different functional specialists for the performance of different functions. The jobs or positions in an organisation can be categorized as:

i) Line position: A position in the direct chain of command that is responsible for the achievement of an organization's goals and

ii) Staff position: A position intended to provide expertise, advice and support for the line positions.

The functional organisational structure has been shown by means of a diagram.



The line officers or managers have the direct authority (known as line authority) to be exercised by them to achieve the organizational goals. The staff officers or managers have staff authority (i.e., authority to advice the line) over the line. This is also known as functional authority.

An organisation where staff departments have authority over line personnel in narrow areas of specialization is known as functional authority organisation.

In the line organisation, the line managers cannot be experts in all the functions they are required to perform. But in the functional authority organisation, staff personnel who are specialists in some fields are given functional authority (The right of staff specialists to issue orders in their own names in designated areas).

Advantages

a) It promotes specialisation. Each department specialises in a particular line of work.
b) There is no overburdening of key executives.
c) There will be maximum efficiency as each individual concentrates on a particular task.

Disadvantages

a) Decision making process is delayed, as major decisions require the participation of maximum number of functional heads.

b) Principle of unity of command is not generally followed because the subordinates may get instructions not only from the immediate boss but also from bosses in other departments.

c) The creation of a number of departments and divisions along with the executives and subordinates involve heavy expenditure.

c. Line and Staff organizational structure

Most large organisations belong to this type of organizational structure. These organisations have direct, vertical relationships between different levels and also specialists responsible for advising and assisting line managers. Such organisations have both line and staff departments. Staff departments provide line people with advice and assistance in specialized areas (for example, quality control advising production department).

The line functions are production and marketing whereas the staff functions include personnel, quality control, research and development, finance, accounting etc. The staff authority of functional authority organisational structure is replaced by staff responsibility so that the principle of unity of command is not violated.

Three types of specialized staffs can be identified:

(i) Advising,

(ii) Service and

(iii) Control.

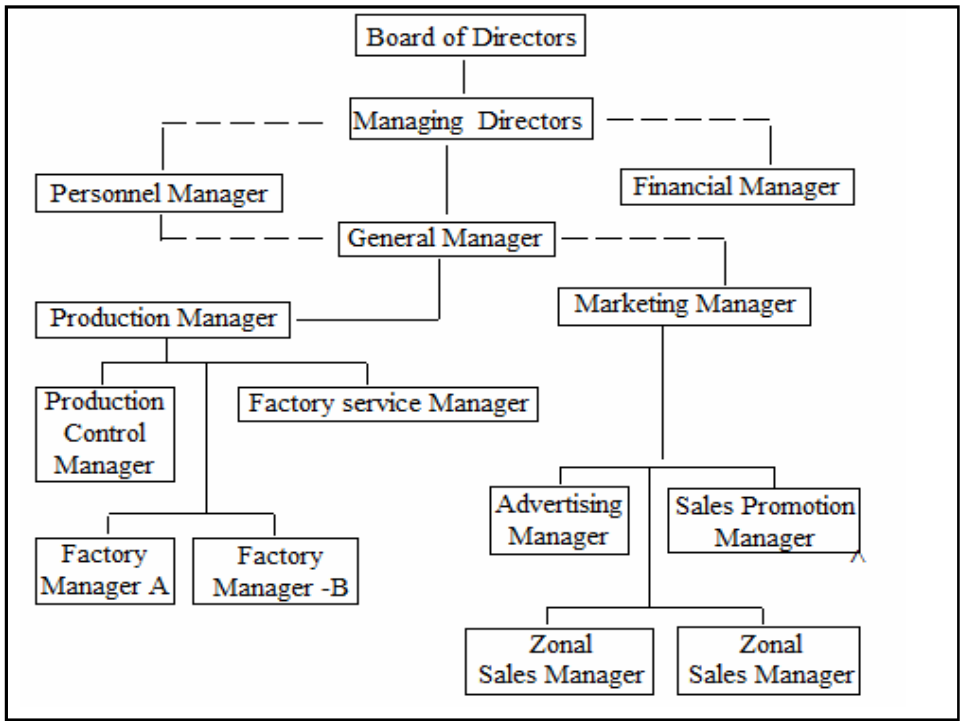
Some staffs perform only one of these functions but some may perform two or all the three functions. The primary advantage is the use of expertise of staff specialists by the line personnel. The span of control of line managers can be increased because they are relieved of many functions which the staff people perform to assist the line.

a) Line and staff have direct vertical relationship between different levels.

b) Staff specialists are responsible for advising and assisting line managers/officers in specialized areas.

c) These types of specialized staff are (a) Advisory, (b) Service, (c) Control

The following diagram explains the concept of Line and Staff Organisation



Advantages of Line and Staff Organizational Structure:

i) Even through a line and staff structure allows higher flexibility and specialization it may create conflict between line and staff personnel.

ii) Line managers may not like staff personnel telling them what to do and how to do it even though they recognize the specialists' knowledge and expertise.

iii) Some staff people have difficulty adjusting to the role, especially when line managers are reluctant to accept advice.

iv) Staff people may resent their lack of authority and this may cause line and staff conflict.

Disadvantages Line and Staff Organizational Structure:

i) Conflict between line and staff may still arise.

ii) Staff officers may resent their lack of authority.

iii) Co-ordination between line and staff may become difficult.

d. Committee form of Organisational Structure

Here, a number of persons may come together to take a decision, decide a course of action, advise line officers on some matters. It is a method of collective thinking, cooperative judgement and common decision. A committee may be assigned some managerial functions or some advisory or exploratory service may be expected from it. A committee is not a separate type of organisation as such. But it is a method of attaching persons or groups to line departments for advice and guidance in business planning and execution. With the growth of organisations the need for committee is more.

Features of Committee form of Organisational Structure are:

a) Formed for managing certain problems/situations

b) Are temporary decisions.

Advantages:

1. Committee decisions are better than individual decisions
2. Better interaction between committee members leads to better co-ordination of activities
3. Committee members can be motivated to participate in group decision making.
4. Group discussion may lead to creative thinking.

Disadvantages:

1. Committees may delay decisions, consume more time and hence more expensive.
2. Group action may lead to compromise and indecision.
3. 'Buck passing' may result.

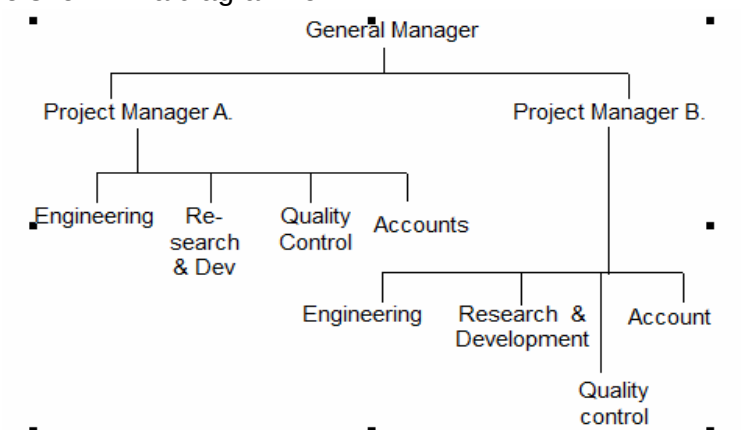
d. Project Organizational Structure

The line, line and staff and functional authority organizational structures facilitate establishment and distribution of authority for vertical coordination and control rather than horizontal relationships. In some projects (complex activity consisting of a number of interdependent and independent activities) work process may flow horizontally, diagonally,

upwards and downwards. The direction of work flow depends on the distribution of talents and abilities in the organisation and the need to apply them to the problem that exists. The cope up with such situations, project organisations and matrix organisations have emerged.

A project organisation is a temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The project team focuses all its energies, resources and results on the assigned project. Once the project has been completed, the team members from various cross functional departments may go back to their previous positions or may be assigned to a new project. Some of the examples of projects are: research and development projects, product development, construction of a new plant, housing complex, shopping complex, bridge etc.

A project organisation structure is led by a Project Manager and assisted by a team of Functional Specialists. The team focuses all its energies, skills and resources on the project. When the project is completed, the project team is abolished and its members move on to a new project or return to their parent department in the enterprise. Below is the project structure shown in a diagram form.



Characteristics of project organisation:

1. Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.

2. The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.
3. The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
4. The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.
5. The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.
6. There may be conflict between the project manager and the departmental manager on the issue of exercising authority over team members.
7. Since authority relationships are overlapping with possibilities of conflicts, informal relationships between project manager and departmental managers (functional managers) become more important than formal prescription of authority.
8. Full and free communication is essential among those working on the project.

Importance of Project Organizational Structure

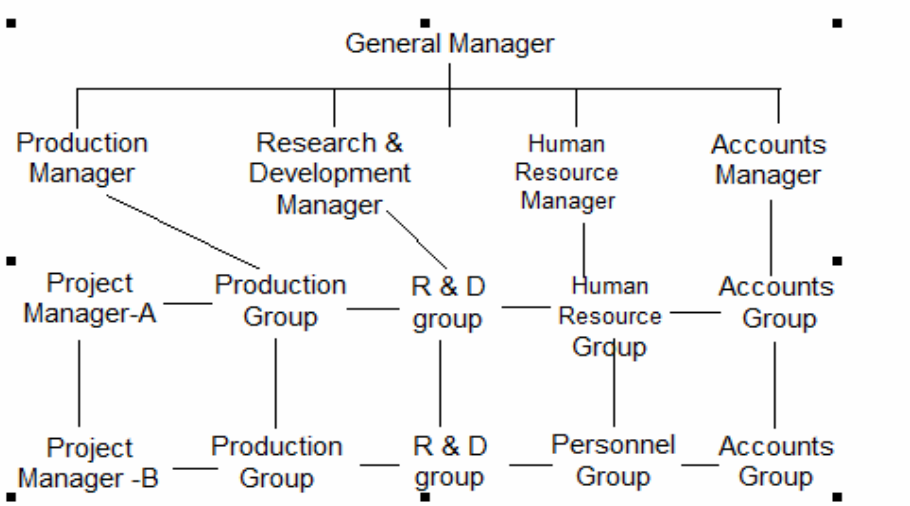
Project organizational structure is most valuable when:

i) Work is defined by a specific goal and target date for completion.
ii) Work is unique and unfamiliar to the organisation.
iii) Work is complex having independent activities and specialized skills are necessary for accomplishment.
iv) Work is critical in terms of possible gains or losses.
v) Work is not repetitive in nature.

e. Matrix Organisational Structure

Under this types of structure, there are functional managers and Project Managers. Functional managers are in charge of specialised resources, such as production, quality control, inventories, marketing and

finance. Project managers are in charge of one or more projects. They are authorised to prepare projects strategies and they call on the various functional managers for the necessary resources.Matrix Organisation is suitable for a large number of small projects. A matrix organization is also known as a combined organisational structure. The matrix organisation has two chains of command. Here the flow of authority is both vertical (line authority) as well as horizontal. Separate departmens have to share the resources with the rest of the organization and cannot claim any exclusive right. The specimen of a matrix organization is given below.



Like other structures Matrix Organization Structure also has merits and demerits as shown below :

Merits :

(I) It utilises the benefits of both functional organisation and technical specialisation.

(II) It is flexible. It allows better and quick response to the changes.

(III) It improves communication and interaction among project units and functional heads. It leads to better co-ordination.

Demerits :

(I) It does not follow the principle of unity of command.

(II) Quick decisions are not possible all the times.

1.7 SPAN OF CONTROL

Every person has a limited capacity to effectively supervise and control other people. No one can control an infinite number of subordinates. The capacity and ability of a person to supervise a large number of subordinates working under him is limited on account of time at his disposal, knowledge, energy, his personality, interest and other capabilities.

The term 'span' literally means the space between two supports of a structure, e.g., the space between two pillars of a bridge. The space between the two pillars should neither be too large nor too small. When applied to management, 'span' refers to the number of subordinates a manager or supervisor can supervise, manage or control effectively and efficiently.

In the words of Spriegal, "Span of management or control means the number of people reporting directly to an authority. The principle of span of control implies that no single executive should have more people looking to him for guidance and leadership than he can reasonably be expected to serve."

Factors affecting span of control

1. Geographical dispersion, if the branches of a business are widely dispersed, then the manager will find it difficult to supervise each of them, as such the span of control will be smaller.
2. Capability of workers, if workers are highly capable, need little supervision, and can be left on their own, e.g.: Theory Y type of people, they need not be supervised much as they are motivated and take initiative to work; as such the span of control will be wider.
3. Capability of boss, an experienced boss with good understanding of the tasks, good knowledge of the workers and good relationships with the workers, will be able to supervise more workers.
4. Value-add of the boss, a boss that is adding value by training and developing new skills in the workers will need a narrow span of control than one who is focused only on performance management (this is the reverse of the capability of workers point above)

5. Similarity of task, if the tasks that the subordinates are performing are similar, then the span of control can be wider, as the manager can supervise them all at the same time.
6. Volume of other tasks, if the boss has other responsibilities, such as membership of committees, involvement in other projects, liaising with stakeholders, the number of direct reports will need to be smaller
7. Required administrative tasks, if the boss is required to have regular face to face meetings, complete appraisal and development plans, discuss remuneration benefits, write job descriptions and employment contracts, explain employment policy changes and other administrative tasks then the span of control is reduced.

1.8 TYPES OF DEPARTMENTATION

There is no single best way of departmentation applicable to all organizations or to all situations. The pattern that will be used will depend on the given situation and what managers believe will yield the best result for them in the situation they face. However, there are a few basic methods for dividing responsibilities within an organization.

They are as follows:

1. Functional basis.
2. Territorial basis.
3. Process basis.
4. Product basis.
5. Customer basis.
6. Time basis.
7. Number basis.

Let us discuss these methods in the following ways:

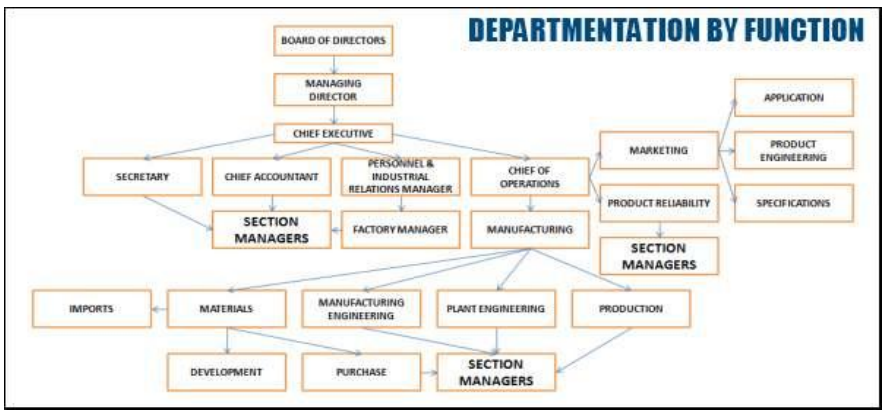
1. **Departmentation by Function:** The most commonly accepted practice is the grouping of the activities in accordance with the functions of an enterprise. The basic enterprise functions generally consist of production, marketing, finance, etc. This method is more logical and hence present in almost all enterprises at some level.

Merits of Departmentation by function:

1. It is a logical and time proven method.
2. This method follows the principle of specialization.
3. Authority and responsibilities can be clearly defined and fixed.
4. Since the top managers are responsible for the end results, control shall become effective.

Demerits of Departmentation by function:

1. This type of departmentation shall develop a loyalty towards the functions and not towards the enterprise as a whole.
2. Coordination of different functions shall become difficult.
3. Only the departmental heads are held responsible for defective work.
4. This pattern is not a best training ground for promotable top management people.



Source:accountinglearning.com

Image: Departmentation by Function Chart

2. **Departmentation by Territories:** When the organization is large and geographically dispersed, departmentation on territorial basis is the best. This is also considered suitable where the branches produce the same goods or perform similar services at various locations.

Merits of Departmentation by Territory:

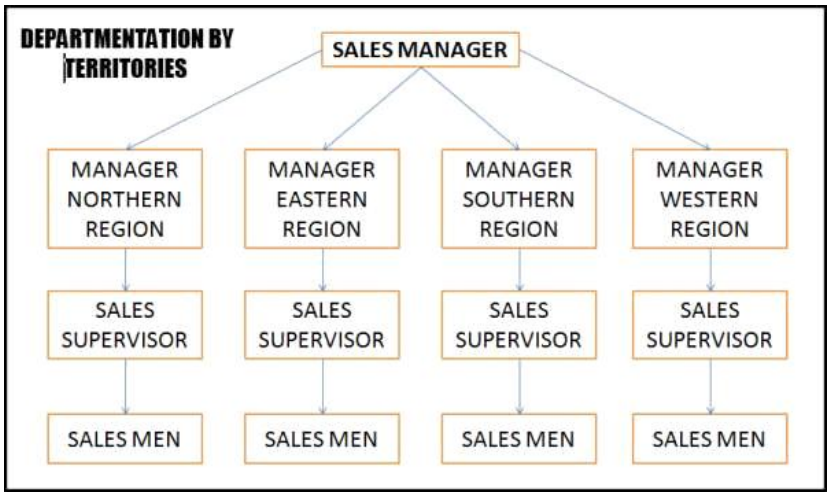
Departmentation on territorial basis has many points to its credit.

1. This method is highly suitable when the needs of the local customers are to be satisfied effectively.
2. Certain economies of localized operation can be availed.

3. Sales activities can be conducted more effectively. Sales personnel can spend more time on sales rather than on traveling.
4. The executives of territorial departments shall become thoroughly familiar with the key details and can take on the spot decisions in times of emergency.
5. The department has an excellent training situation for all round managers needed in the future at higher levels.

Demerits of Departmentation by Territory:

1. This type of departmentation requires more persons with general managerial abilities needed in the future at higher levels.
2. Coordination shall become difficult and the problem of maintaining top management control shall also acute.
3. Territorial grouping may sometime cause some problems if authority over financial matters is also decentralized.



3. **Departmentation by Process:** Activities can also be grouped according to the process involved or the equipment used. This form of departmentation is often employed in manufacturing enterprises. It is also called equipment departmentation. Large retail or marketing enterprises may also have process departments for receiving goods in stores, transportation, wrapping and delivery. Departmentation by process is usually decided on the basis of costs that are mainly on economic considerations.

Merits of Departmentation by Process:

The following are the important merits of this type of departmentation:

1. It is suitable for all organizations irrespective of their size.
2. The equipment can be economically used to their maximum capacity.
3. It saves money and consequently reduce the cost of production.
4. Better timing and customer service can be ensured.

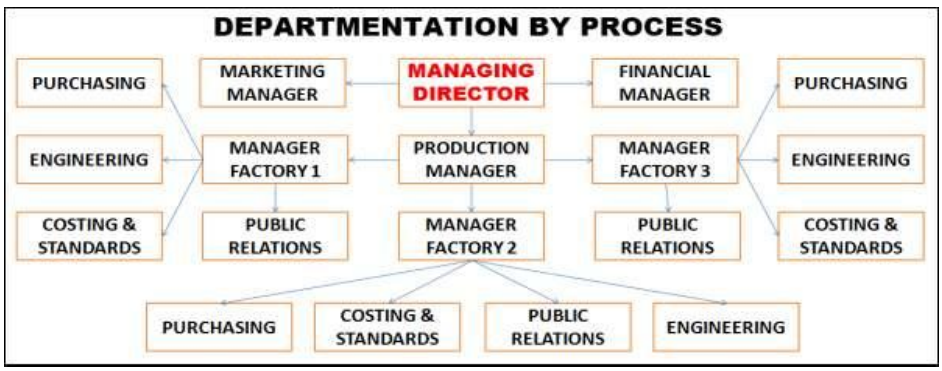


Image: Departmentation by Process Chart

4. **Departmentation by Product:** This type of departmentation is desirable for large undertakings which deal with a variety of products or product lines. To departmentalise on product basis means to establish each product or group of closely related products in a product line as a relatively autonomous integrated unit within the overall framework of the company. Under this method, an executive will be in charge of and responsible for all the activities relating to a particular product from production to distribution.

Merits of Departmentation on basis of Product:

1. This pattern of departmentation facilitates the optimum use of specialized skill, labour and capital.
2. Various economies relating to production, assembly and handling can be availed.
3. All the activities connected with a particular product can be effectively coordinated.
4. Better timing and customer service can be ensured.
5. Responsibility can be fixed.

Demerits of Departmentation on product basis:

1. This type of departmentation will often result in unnecessary duplication of work and ultimately result in an increase in the production cost.
2. The problem of maintaining headquarters control shall also be more acute.
3. Their pattern can also create difficulties in co-ordination with the organizational structure.
4. Successful managers will be tempted to acquire more and more powers and build up their own empire. This danger can be averted by centralizing all major policy decisions.



Image: Departmentation by Product Chart

5. **Departmentation by Customer:** Departmentation can also be made on the basis of customers served that are customer departmentation. In this case, the firm shows its paramount interest in the welfare of the customer and attention given to them. Under this method, the customers are divided into separate categories, such as distributors, retailers and consumers, and the task of satisfying the needs of different categories of customers assigned to specific departments.

Merits of departmentation by customer:

1. Customers are the key to any organization. Particularly in modern times, the needs of the customers should be satisfied effectively. This pattern of departmentation aims to satisfy the customers in a better and effective way.

2. It is highly useful where a product or service of wide variety is offered through many marketing channels and outlets.

Demerits of departmentation by customer:

1. There may not be enough work in each department. Hence, some salesmen have to remain idle.
2. Coordinating various departments will also pose many serious problems.
3. It may also develop an unequal development of customer groups in times of expansion and disappearance of certain customer groups in times of recession.
4. It may also create a tendency to remain rigid. Consequently, it may also become difficult to adjust to the situation in case there is a fluctuation in the activities of the enterprise.

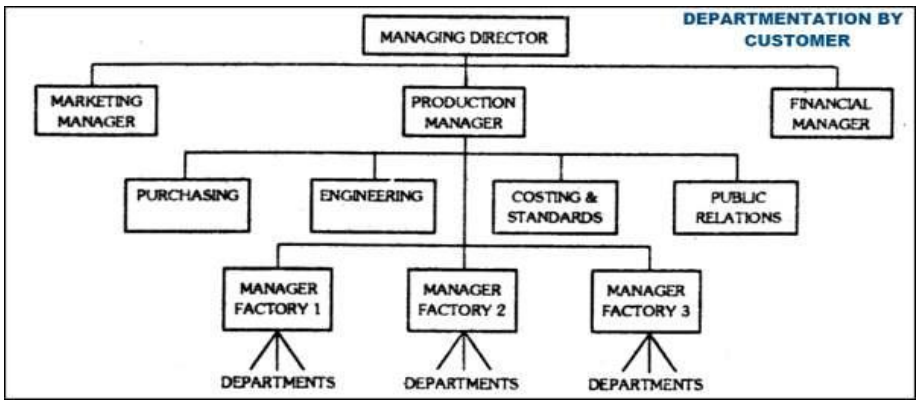


Image: Departmentation by Customer Chart

6. **Departmentation by Time:** It is a common practice to departmentalize activities on time basis. Enterprise engaged in continuous process can follow this pattern. We are familiar with the second shift, third shift, or night shifts, etc. Under this method, the activities performed in each shift are similar and almost identical. But they are departmentalized on time basis. This kind of departmentation is generally found in public utilities and manufacturing establishments.
7. **Departmentation by Number:** In case of departmentation by number, activities are grouped on the basis of their performance by certain number of persons. For instance, in the army, soldiers are grouped into

squaders, battalions, companies, brigades and regiments based on the number prescribed for each unit. However, this type of departmentation is not found in business concerns.



CHECK YOUR PROGRESS

Q 3: What are the different types of organisational structure

.....

.....

Q 4: Write any three merits of Departmentation by Territory

.....

.....

Q5: Write any three importance of Project Organizational Structure

.....

.....



1.9 LET US SUM UP

- The term 'organising' means systematic arrangement of activities. It refers to the method in which the work of a group of people is arranged and distributed among them to achieve the desired objectives of an organisation.
- Organisation is the structural framework of duties and responsibilities required of personnel in performing various functions with a view to achieve organizational goals.
- The principles of an organisation are : Principle of Objective ,Principle of Unity of Command, Principle of Inter-Related Function, principle of definition, Principle of Span of Control ,Principle of Chain of Authority, Principle of Commensurate Authority and Responsibility, Principle of Flexibility, Principle of Division of Work, Principle of Continuity of Operations, Principle of Work Assignment, Principle of Ultimate Responsibility, Principle of Discipline, Principle of Employee Participation

- The different types of organisational structure are:
  1. Line Organisational Structure
  2. Staff and Functional Structure
  3. Line and Staff Organisational Structure
  4. Committee form of Organisational Structure
  5. Project Organizational Structure
- Span of management or control means the number of people reporting directly to an authority. The principle of span of control implies that no single executive should have more people looking to him for guidance and leadership than he can reasonably be expected to serve.
- There are basic methods for dividing responsibilities within an organization.They are as follows:
  1. Functional basis.
  2. Territorial basis.
  3. Process basis.
  4. Product basis.
  5. Customer basis.
  6. Time basis.
  7. Number basis.



1.10 FURTHER READING

1) Wendell L. French, Cecil H. Bell, (2006), *"Organization Development: Behavioral Science Interventions For Organization Improvement"*, Pearson Higher Education.
2) S. Ramnarayan & T V Rao (2011), *"Organization Development: Accelerating Learning And Transformation"*, Sage India.
3) Madhukar Shukla (1999), *"Understanding Organisation"*, Pretice Hall.
4) Kavita Singh (2010), *"Organizational change and development*", Excell Books.



1.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Organisation is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives.

Ans to Q No 2: The four principles of an organisation are : Principle of Objective, Principle of Unity of Command,Principle of Inter-Related Function and Principle of Definition.

Ans to Q No 3: The different types of organisational structure are:

1. Line Organisational Structure
2. Staff and Functional Structure
3. Line and Staff Organisational Structure
4. Committee form of Organisational Structure
5. Project Organizational Structure

Ans to Q No 4: Merits of Departmentation by Territory are:

1. This method is highly suitable when the needs of the local customers are to be satisfied effectively.
2. Certain economies of localized operation can be availed.
3. Sales activities can be conducted more effectively. Sales personnel can spend more time on sales rather than on traveling.

Ans to Q No 5: Importance of Project Organizational Structure are:

i) Work is defined by a specific goal and target date for completion.
ii) Work is unique and unfamiliar to the organisation.
iii) Work is complex having independent activities and specialized skills are necessary for accomplishment.



1.12 MODEL QUESTIONS

Q 1: Define organization. Briefly discuss the importance of organization.

Q 2: Explain different types of organization.

Q 3: What do you understand by span of control? Discuss the various factors determining span of control.

Q 4: Highlight the different bases of departmentation.

Q 5: Define staffing. Why is it important in organizations?

*** **** ***

UNIT 2: ORGANIZATIONAL CULTURE

UNIT STRUCTURE

2.1 Learning Objectives

2.2 Introduction

2.3 Concept of Organizational Culture

2.4 Characteristics of Organizational Culture

2.5 Functions of Organizational Culture

2.6 Factors Influencing Organizational Culture

2.7 Types of Organizational Culture

2.8 Reasons for changes in Work Culture

2.9 Managing across culture

2.10 Let Us Sum Up

2.11 Further Reading

2.12 Answers to Check Your Progress

2.13 Model Questions

2.1 LEARNING OBJECTIVES

After going through this unit you will be able to :

- explain the concept of Organization culture
- learn the characteristics of Organizational Culture
- identify the factors of Organizational Culture
- describe the various types of Organizational Culture

2.2 INTRODUCTION

In the earlier unit we have learnt about the concept of organization and and its structure. In this unit we are going to discuss about organizational culture, its functions and characteristics.Organizational culture is a system of shared assumptions, values, and beliefs that governs how people behave in organizations. The culture of an organization is difficult to measure or observe, but it performs many important functions within an organization.

This unit will also explain the types of culture that exists in an organisation.

2.3 CONCEPT OF ORGANIZATIONAL CULTURE

One of the major problems in defining organizational culture is that it is a conceptual term i.e. it is something which is created and which resides in the minds of the people. It is not a thing which can be discovered and verified; rather, it has to be derived, interpreted and defined. Not surprisingly, this has led to a development of definitions and interpretation of what organizational culture is. These definitions attribute a variety of meanings to organizational culture, which range from behavioural to cognitive, from explicitly stated to tacitly followed, from being consciously enacted to being unconsciously felt, and so on. Instead of looking for a "comprehensive" definition of organizational culture, an appreciation of the different definitions may contribute much more to our understanding of it.

Based on a review of various definitions proposed by management theorists and practitioners, Schein (1985) concluded that there are, at least, six popular meanings which describe to organizational culture.

1) Observed behavioural regularities in the interactions, language and rituals of the organizational members.
2) The norms, which evolve over a period of time in working groups.
3) The dominant values which are adopted by the organization (or by the dominant members of the organization).
4) The philosophy, which guides the decisions and policies of an organization.
5) The rules of the game (the ropes) one must learn in order to survive and be accepted in the organization.
6) The feeling and climate that ***pervades*** and gets conveyed in the day-to-day functioning of the organization.

One can, thus, understand organizational culture as a pervasive underlying set of beliefs, assumptions, values, shared feelings and perceptions, which influence the actions and decisions taken by the

organizational members. These configurations not only shape the open behaviour, but also determine the manner in which people normally interpret and respond to any given organizational situation. For instance, if the culture encourages innovativeness, any problem will stimulate people to take initiative and risks, and try out new ways of doing things. On the other hand, if the organizational culture is security-oriented, the same problem-situation would cause people to start looking for rules, procedures and priorities as a mode of response.

Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves.
Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust well.

2.4 CHARACTERISTICS OF ORGANIZATIONAL CULTURE

Organizational culture is quite complex. Every organisation has its own unique personality, just like people do. The unique personality of an organization is referred to as its culture. Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. Organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations.

Several authors have given different chracteristics and features. The following are the primary characteristics of an organisation's culture that range in priority from high to low. Every organization has a distinct value for each of these characteristics:

- **Innovation and Risk Taking:** Organizations with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs. Organizations with cultures

that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.

- **Assumption and values:** Organizational culture includes the assumptions and values of an organisation. These assumptions are believed explicitly. Employee, managers and the top management view the organizational culture in the same pattern, although they have different views individually. The behavioral pattern depends on certain invisible assumptions and their values.
- **Management Attitude:** The management's attitude has a direct impact on the behavior of the employees. Subordinates are supported by the management for inculcating a healthy culture. The management's active interest and support are needed for the purpose. Employees develop a feeling of having received an adequate and equitable reward under a congenial atmosphere.
- **Teamwork:** Organizations that organize work activities around teams instead of individuals place a high value on this characteristic of the organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.
- **Aggressiveness:** This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete within the market place. Organizations with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.
- **Stability :** An organization whose culture places a high value on stability is rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions.
- **Emphasis on Outcome:** Organizations that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. An Organization that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.

- **Emphasis on People:** Organizations that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations.
- **Individual Autonomy:** The degree of responsibility, independence, and opportunities for exercising initiative that individuals in an organisation have;
- **Structure:** The degree of rules and regulations and the amount of direct supervision that is used to oversee and control behaviour;
- **Support:** The degree of assistance and warmth managers provide for their subordinates;
- **Performance-Reward:** The degree to which reward in the organisation are based on employee work

performance;

- **Conflict Tolerance:** The degree of conflict present in relationships between peers and work groups as well as the willingness to be honest and open about differences;
- **Openness, Communication, and Supervision:** The amount and type of interchange permitted; the communication flow can be downward, upward, across the organisation, and in other directions as spelled out by the culture;

2.5 FUNCTIONS OF ORGANIZATIONAL CULTURE

Arnold(2005) stated that "the main function of organisational culture is to define the way of doing things in order to give meaning to organisational life". A high degree of culture has a high influence on the performance and behavior of the employees. Shared meaning provides a strong culture and creates a favorable environment in the organization.

Brown (1998) stated the following functions of organisational culture:

1. **Conflict reduction:** A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.

2. **Coordination and control:** Largely because culture promotes consistency of outlook it also facilitates organisational processes of coordination and control.
3. **Reduction of uncertainty:** Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible.
4. **Motivation:** An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.
5. **Competitive advantage:** Strong culture improves the organization's chances of being successful in the marketplace.

However, the following are some few functions of organizational culture:

1. It has a boundary defining role. It creates a distinction between one organization and others.
2. It conveys sense of identity for organization members.
3. It facilitates the generation of commitment to something larger than individual self interest.
4. It enhances social system stability and it is glue that helps hold the operation together by providing appropriate standards for what employees should say and do.
5. It serves as a sense making and control mechanism that guides and shapes the attitude and behavior of employees.



CHECK YOUR PROGRESS

Q 1 : What do you mean by organizational culture?

.....

Q 2 : Write the characteristics of Organizational culture.

.....

Q 3 : Write any two functions of organisational culture

.....

2.6 FACTORS INFLUENCING ORGANIZATIONAL CULTURE

As already discussed, culture represents the beliefs, ideologies, policies, practices of an organization. It gives the employees a sense of direction and also controls the way they behave with each other. Once organisational culture is created, the culture is sustained through various other forces.The following are some of the factors which influence the organization culture:

- **Individual working with the organization**: The first and the foremost factor affecting culture is the individual working with the organization. The employees in their own way contribute to the culture of the workplace. The attitudes, mentalities, interests, perception and even the thought process of the employees affect the organization culture.
- **The nature of the business:** It also affects the culture of the organization. Stock broking industries, financial services, banking industry are all dependent on external factors like demand and supply, market cap, earning per share and so on. When the market crashes, these industries have no other option than to terminate the employees and eventually affect the culture of the place. Market fluctuations lead to unrest, tensions and severely demotivate the individuals. The management also feels helpless when circumstances can be controlled by none. Individuals are unsure about their career as well as growth in such organizations.
- **goals and objectives :** The culture of the organization is also affected by its goals and objectives. The strategies and procedures designed to achieve the targets of the organization also contribute to its culture.

Individuals working with government organizations adhere to the set guidelines but do not follow a procedure of feedback thus forming its culture. Fast paced industries like advertising, event management companies expect the employees to be attentive, aggressive and hyper active.

- **The clients and the external parties**: The clients and the external parties to some extent also affect the work culture of the place. Organizations catering to UK and US Clients have no other option but to work in shifts to match their timings, thus forming the culture.
- **The management and its style of handling the employees:** The management and its style of handling the employees also affect the culture of the workplace. There are certain organizations where the management allows the employees to take their own decisions and let them participate in strategy making. In such a culture, employees get attached to their management and look forward to a long term association with the organization. The management must respect the employees to avoid a culture where the employees just work for money and nothing else. They treat the organization as a mere source of earning money and look for a change in a short span of time.

2.7 TYPES OF ORGANIZATIONAL CULTURE

There are different types of culture in an organization.They have distinctive features and contributions. The culture of an organization decides the way employees behave amongst themselves as well as the people outside the organization.

Let us understand the various types of organization culture:

1. **Functional Culture:** The functional culture is related to performance. These are of four types namely- academy, club, team and fortress cultures.

a. **Academy Culture:** Organizations following academy culture hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work experience of the employees. Organizations following academy culture are very particular about training the existing employees. The management makes sincere efforts to upgrade the knowledge of the employees to improve their professional competence. Educational institutions, universities, hospitals practice such a culture.

b. **Club Culture:** In club culture, individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.

c. **Team Culture:** A team culture considers the employees as the most treasured possession of the organization. Advertising agencies, event management companies, financial institutions follow such a culture.

d. **Fortress Culture:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well. Individuals suffer the most when the organization is at a loss. Stock broking industries follow such a culture.

2. **Descriptive Culture:** The descriptive culture explains the behavior of an organisation. Employees describe the prevailing culture in an organization. When people are not satisfied, they talk too much about the organization. It measures effective performance, reward system, policies and procedures. Employees are always critical about the present set up.

3. **Perceptual Culture:** The feelings of the employees are included under perceptual culture. How they view their organization is included under this culture. Common culture, sub culture and core culture are the different types of perceptual culture. Common culture is the majority culture of an organiszation.sub cultures are the identifiable culture of each group. Core culture is the differing value culture of the employees.

4. **Value Culture:** the value culture defines the culture based on strength, namely strong and weak cultures. Strong cultures are intensely held values which are widely shared. Strong have a great impact o the employees' behaviors greater the commitment to the values of an organisation, stronger is the culture.

5. **Normative Culture:** In such a culture, the norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines. The employees behave in an ideal way

and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.

6. **Pragmatic Culture:** In a pragmatic culture, more emphasis is placed on the clients and the external parties. Customer satisfaction is the main motive of the employees in a pragmatic culture. Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.
7. **Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work according to the ideologies of the workplace. All government organizations follow such a culture

2.8 REASONS FOR CHANGES IN WORK CULTURE

- A new management, a new team leader, a new boss brings a change in the organization culture. A new employee but obvious would have new ideas, concepts and try his level best to implement them. He would want the employees to work according to him. His style of working, behaviour and ideologies would definitely bring a change in the work culture.
- Financial loss, bankruptcy, market fluctuations also lead to change in the work culture of the organization. When an organization runs into losses, it fails to give rewards and appraisals to the employees as it used to give earlier.
- Acquiring new clients might cause a change in the work culture. The employees might have to bring about a change in their style of working to meet the expectations of the new clients.
- The employees on their own might realize that they need to bring a change in their attitude, perception and style of working to achieve the

targets at a much faster rate. Such self-realization also changes the work culture.

2.9 MANAGING ACROSS CULTURE

The rational model makes no acknowledgement of cultural differences. But Indonesians, for instance, don't necessarily make decisions the same way that Australians do. Therefore, we need to recognize that the cultural background of the decision maker can have significant influence on the selection of problems, depth of analysis, the importance placed on logic and rationality, or whether organizational decisions should be made autocratically by an individual manager or collectively in group.

Culture, for example, differs in terms of time orientation, the importance of rationality, their belief in the ability of people to solve problems, and their preference for collective decision-making. Differences in time orientation help us understand why managers in Egypt will make decisions at a much slower and more deliberate pace than their American counterparts. Whereas rationality is valued in North America, that's not true everywhere in the world. A North American manager might make an important decision intuitively but knows that it is important to appear to proceed in a rational fashion. This is because rationality is highly valued in the West. In countries such as Iran, where rationality is not ***deified***, efforts to appear rational are not necessary.

Some cultures emphasize solving problems, while others focus on accepting situations as they are. The USA falls in the former category. Thailand and Indonesia are examples of cultures that fall into the latter category. Because problem-solving managers believe that they can and should change situations to their benefit, American managers might identify a problem long before their Thai or Indonesian counterparts would choose to recognize it as such.

Decision making by Japanese managers is much more group-oriented than in the USA. The Japanese value conformity and cooperation. So before Japanese CEOs make an important decision, they collect a large

amount of information, which is then used in consensus forming group decisions.



CHECK YOUR PROGRESS

Q 4 : What are factors which influence the organization culture?

.....

Q 5 : Define functional culture

.....

Q 6 : State any one reason for change in the organisation culture

.....



2.10 LET US SUM UP

- Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves.
- Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust well.
- Every organization has a distinct value for each of these characteristics: Innovation and Risk Taking:, Assumption and values, Management Attitude, Teamwork, Aggressiveness, Stability, Structure, Support, Performance-Reward, Conflict Tolerance,Openness, Communication, and Supervision
- The following are some few functions of organizational culture:
  1. It has a boundary defining role. It creates a distinction between one organization and others.
  2. It conveys sense of identity for organization members.
  3. It facilitates the generation of commitment to something larger than individual self interest.
  4. It enhances social system stability and it is glue that helps hold the

operation together by providing appropriate standards for what employees should say and do.

5. It serves as a sense making and control mechanism that guides and shapes the attitude and behavior of employees.

- The types of organization culture are Functional Culture, Descriptive Culture, Perceptual Culture, Value Culture, Normative Culture, Pragmatic Culture and Process Culture.



2.11 FURTHER READING

1) Drucker, Peter F., *Practice of Management*, Allied Publications, New Delhi.

2) Koontz, Harold & Weihrich, Heinz, *Essential of Management*, Tata McGraw Hills, New Delhi.

3) Rao, V. S. P. & Krishna, V. Hari, *Management : Text and Cases*, Excel Books, New Delhi.

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2.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves.

Ans to Q No 2: The characteristics of Organizational culture are: Innovation and Risk Taking, Management Attitude, eamwork, ggressiveness, Stability, Emphasis on Outcome, Emphasis on People, Individual Autonomy, Structure, Support, Performance-Reward, Conflict Tolerance, Openness, Communication, and Supervision:

Ans to Q No 3: The two functions of organisational culture are: Conflict reduction and Coordination and control.

Ans to Q No 4: Factors which influence the organization culture are : Individual working with the organization, the nature of the

business,goals and objectives ,the clients and the external parties,the management and its style of handling the employees.

Ans to Q No 5: The functional culture is related to performance. These are of four types namely- academy, club, team and fortress cultures.

Ans to Q No 6: A new management, a new team leader, a new boss brings a change in the organization culture.



2.13 MODEL QUESTIONS

Q 1 : Define Organization culture

Q 2 : Discuss tyhe chararteristics of Organization culture

Q 3 : Explain the functions of Organization culture

Q 4 : Explain the factors which influence the organization culture

Q 5 : Discuss the arious types of organization culture.

Q 6 : Write a brief note on the reasons for change in orgnaization culture

Q 7 : Write notes on :

i) Descriptive Culture

ii) Perceptual Culture

iii) Club Culture

iv) Fortress Culture

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UNIT 3: ORGANIZATIONAL CHANGE

UNIT STRUCTURE

3.1 Learning Objectives

3.2 Introduction

3.3 Organisational Change: An Introduction

3.4 Forces of change – External and Internal

3.5 Strategies for change

3.6 Types of organizational change

3.7 Theories of Planned Change

3.8 Resistance to Change

3.9 Methods to overcome por minimise the resistance to change

3.10 Change Agents

3.11 Let Us Sum Up

3.12 Further Reading

3.13 Answers to check your progress

3.14 Model Questions

3.1 LEARNING OBJECTIVES

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

- learn the concept of organisational change and it's importance
- discuss the external and internal forces of change
- discuss the strategies for change
- the theories of planned change like Lewin's change model, Action Research Model and the positive model
- discuss the action research as a process
- describe the reasons for resistance to change and how to overcome this resistance.

3.2 INTRODUCTION

In the previous unit we have discussed the concept of organisational culture. In this unit we are going to learn about the various aspects of organisational change and its importance. Change is one of the most

important aspects of effective management. Organisational change refers to any alteration that occurs in total work environment. Organisational change refers to the alteration of structural relationships and roles of people in the organization. In this unit we will get some idea on the external and internal forces of change, various strategies for change. There are many theories of change like Lewin's change model, Action Research Model and the positive model that will be discussed in this unit.

At the end of the unit we will get a fair idea about the action research as a process and the reasons for resistance to change and how to overcome this resistance

3.3 ORGANISATIONAL CHANGE: AN INTRODUCTION

Change is inevitable for any organisation. Anything new from the old state of things is change. It refers to any alteration that occurs in the overall work environment of the organisation. In this world nothing is permanent except change. It's a continuous process that never ends. Every individual, groups and organisations have to constantly cope with change in order to survive. Organisations must be proactive in bringing about change. Technology, market forces, socio-economic factors etc. keep changing very fast and managers must be able to help their organisations to adapt to these changes. Change is one of the most important aspects of effective management. The successful companies are those whose managers are able to properly anticipate or respond to various forces of change, implement proper strategies for change and overcome resistance to change.

Organisations that do not bring about timely change may perish in the long run. Change will not disappear. Technological and other changes will constantly occur and managers and organisations will have to effectively and efficiently manage this change. Organisations have to change to meet financial crisis, to remove performance gaps in employees, to maintain their competitive edge, to meet the changing demands in their internal and external environment etc. So, it has become a very important question for organisations on how to manage change in such a fast moving environment

where technology, products, markets etc keep changing so frequently.

To manage change effectively, organisations will have to design effective change programs consisting of mainly the following steps:

- creating a readiness for change among the employees and overcoming resistance to change
- gaining commitment of employees towards the new desired future state
- identifying the influential people in the organisation who can help in making the change effort successful
- plan what actions are needed to be taken and divide the responsibilities
- the management must ensure that the momentum for change is maintained by providing adequate resources and support required for the change effort and constantly following up to check that the change program is carried out till completion.

3.4 FORCES OF CHANGE : EXTERNAL AND INTERNAL

An organisation is a system that interacts with the environment and is mainly dependent on it.A change in its external environment makes it necessary for an organisation to incorporate changes in its internal systems and processes. Any factor in the environment that interferes with an organisation's ability to attract the necessary human, financial and material resources, or to produce and market its products and services becomes a force of change. An organisation is affected by two forces of change – external forces and internal forces. It has to change as per the changes in its external and internal forces.

EXTERNAL FORCES OF CHANGE: Some of the external forces of change are given below:

- **Technological Forces:** Technology is a major external force, which calls for change.Technolgical advancement, particularly in communication and computer technology has revolutionised the workplace and helped to create a whole new range of products and services. Recent advances in information technology have helped

managers in organisations to arrive at better decisions.

- **Economic Forces:** The uncertainty about future trends in the economy is a major cause of change. For example, fluctuating interest rates, recessions, inflation etc have a marked influence on organisations.
- **Government Forces:** Change in government policies also has a direct impact on organisations.
- **Competition:** To counter competition**,** organisations have to constantly be innovative and creative and come up with new features and products and new strategies to survive and grow. For example, Japanese automakers Toyota and Nissan have set up their manufacturing and assembling operations in south-East Asia where the labour cost is cheaper compared to Japan.
- **Change in Customer Needs and Preferences:** Organisations are constantly forced to bring about changes in their products and services due to change in customer needs and preferences.

INTERNAL FORCES OF CHANGE: Some of the internal forces of change are given below:

- **Technological Change:** Changes that impact the actual process of transforming input into output is referred to as technological change. Examples are changes in equipment, work process, information-processing systems, degree of automation etc
- **Structural Change:** Organisations make structural changes in the form of downsizing, decentralisation, job-redesign etc. to reduce costs and increase profitability.
- **Employee related changes:** This change is related to human resources planning and with improving employee competence and performance. Redefining organisational strategy and goals; structural change like expansion, change in technology etc. have implications for human resource management. For example, introduction of new technology may result in training of the employees, recruitment of employees skilled in new technology, moving an employee to another place if that employee cannot be trained etc.

3.5 STRATEGIES FOR CHANGE

The different strategies to bring about effective change in an organisation mostly the human system are –

1. **Normative-Re-educative Strategy:** The major emphasis of this strategy is that behaviour is influenced largely by social and cultural norms of the group, organisation or the society to which an individual belongs. Successful change can be brought about by changing the norms as it is believed that individuals have pronounced commitments to these norms.
2. **Rational–Empirical Strategy:** This strategy assumes that individuals are basically rational people and change can be brought about by convincing them that it is for their best interest. It involves the use of data and rational persuasion to establish the relation between willingness to change and information available with positive results.
3. **Power-Coercive Strategy:** This strategy involves the use of power which is invested in manager's position, or power springing from the use of resources, to coerce individuals into accepting change.
4. **Action-oriented Strategy:** This strategy basically focuses on use of action information in bringing change in the organisation. It involves development of specific steps necessary to achieve a goal or objective which is also called as action plan.

3.6 TYPES OF ORGANIZATIONAL CHANGE

Different types of organizational change will require different strategies. A detailed description of the four types of organizational change are described as follows:

1. **Strategic transformational change:** All changes will affect some aspects of an organization, but not all changes are transformational. Minor modifications to existing tools or policies will influence but not completely redefine a business. Big changes, on the other hand, transform the organization or companies. Whether that transformation

is positive or disastrous depends on the strategy used to make it. Preparation and ongoing change management are essential for implementing these large-scale types of organizational change.

2. **People-centric organizational change:** All changes affect people, people-centric types of organizational change include instituting new parental leave policies or bringing on new hires.
3. **Structural change:** Structural changes involve major shifts in the management hierarchy, team organization, and the responsibilities attributed to different departments, employees, or teams. These changes often overlap with people-centric changes as they directly affect most, if not all, employees.
4. **Remedial change:** Remedial changes are reactionary. This type of change occurs when a problem is identified, and a solution needs to be implemented. As these changes are designed to address an issue; they call for immediate action. The benefit of remedial change is that judging its success is quick and simple.

3.7 THEORIES OF PLANNED CHANGE

The problem with many organisations is that they are unable to effectively manage change. Change is now a way of life; organisations and more importantly their managers, must recognise the need to adopt strategic approaches when faced with a changing situation. Some of the theories or approaches of change are given below:

1. Kurt Lewin's Change Model
2. Action Research Model
3. The Positive Model

We will discuss this models in unit 5, but let us get some idea about it in this unit.

Kurt Lewin's Change Model: Kurt Lewin had given two ideas about change. He developed the Force Field Analysis model to help people understand how the change process works. As per this model at any given point of time, there are two forces in an organisation – one set of forces

called the driving force which pushes the organisation towards change and another set of forces called restraining or pull forces which try to maintain the status quo i.e. the present situation. These restraining forces are called "resistance to change" because they are generally in the form of employee behaviour that block the change process. When both these set of forces are equal, current behaviours are maintained. To change this current state, the driving forces needs to be identified and increased and the restraining forces needs to be minimised. For example, the level of performance of a work group might be stable because the group norms maintaining that level are equal to the supervisor's pressures to increase productivity. So, the group's performance and productivity can be increased by changing the group norms to support higher levels of performance or by increasing the superior's pressure to produce more or increase productivity.

Kurt Lewin had suggested that in order to bring about planned change an organisation should approach change as a multistage process (Lewin, 1951).His model of planned change is made up of three steps- unfreezing, moving/changing and refreezing.

Action Research Model: The Action Research model focuses on planned change as a cyclical process involving collaboration between organization members and OD practitioners. It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after action is taken. Action research model is a data based problem solving model that replicates the steps involved in the scientific method of inquiry. It is increasingly used in OD efforts to bring about planned change in organisations. This approach has also increased the degree of member involvement in the change process. Here, both the consultant and organisational members are "colearners" in diagnosing the problems, designing changes and implementing them. Rather than each participant bringing unique information and expertise to the situation, they combine their resources to learn how to change the organisation.

The Positive Model: The positive model focuses on what the organization is doing right. It helps members understand their organisation

when it is working at its best and builds off those capabilities to achieve even better results. It is different from Lewin's model and the action research process. These models mainly focus on organization's problems and how they can be solved to make it function better. The positive model is a positive approach to change. It has been applied to planned change mainly through a process called appreciative enquiry in which members of the organisations are asked to share their positive experiences in the organisation, what they value most about themselves, their tasks, and the organisation as a whole, what are the realistic possibilities of making their organisation an even better one? It promotes broad member involvement in creating a shared vision about the organisation's positive potential which acts as the guiding force in bringing about change.



CHECK YOUR PROGRESS

Q 1: What is organisational change?

.....

Q 2: What is the main concept behind Lewin's change model?

.....

Q 3: What is the main focus of the Positive Model?

.....

3.8 RESISTANCE TO CHANGE

Change can be successfully implemented in any organisation only when there is lesser resistance to the change. Resistance to change is not desirable as it can hamper or slow down the change process. So, it is very important for organisations to identify the resisting forces and overcoming this resistance. Employees may try to resist change by applying tactics like strikes, slowdowns and complaints which are explicit or through other implicit forms like errors, absenteeism, decreased loyalty etc Individuals at all levels

of an organisation may resist change because of different reasons. Some of the reasons why people an organisations resist change are discussed below:

1. **Lack of proper communication:** Different people will see different meanings in a proposed change. So, if the reasons for change and its benefits are not clearly communicated to employees at all levels, they may not clearly understand and resist the change.
2. **Fear of job security:** One of the major reasons why individuals resist change is that they fear for the security of their job. For example, suppose new technology has been introduced into the company. Individuals who are not expert in the new technology may fear losing their job.
3. **Rapidity and extent of change:** Resistance to change also depends on factors like how rapid or fast a change is introduced. If a change is introduced very abruptly then people may not understand its reasons properly and resist it. Another factor is how big or small a change is. If the change is of a minor nature and involves routine operations, resistance may be minimal. But if the change is a major one and involves large number of employees, there may be greater resistance to the change.
4. **Group norms:** Groups within an organisation develop their own norms to promote desirable behaviours. Most members conform to these norms and any change that disrupts group norms, tasks or role relationship may be resisted by the group though the change may be beneficial for the organisation.
5. **Loss of power:** Downsizing of a department or posting of an executive to a different department where there is a reduction of power base will be resisted by the affected department and individuals.
6. **Habit:** Many people resist change because they are so comfortable with their current situation and habits that they do not want to change their behaviour to a new one.
7. **Technology:** Technological changes are important for the growth of any organisation. If these changes lead to downsizing or displacement

of employees, then they will resist such technological change.

8. **Organisational Culture:** Organisation culture, that is, established values, norms and expectations, act to promote predictable ways of thinking and behaving. Organisation members will resist changes that force them to abandon established assumptions and approved way of doing things.

3.9 METHODS TO OVERCOME OR MINIMISE RESISTANCE TO CHANGE

Resistance to change is not desirable by any organisation. It is important to overcome or minimise resistance through various methods. Some of the methods of overcoming or minimising resistance to change are discussed below:

1. **Education and communication:** It is very important to educate the people about why change is necessary and its benefits for management as well as workers. There is a general impression that only the organisation and management benefits because of change at the cost of the workers. This wrong impression must be removed by proper two-way communication else the negative attitude will continue and change cannot be properly implemented.
2. **Participation and Involvement:** Participation and involvement are the most powerful tools which management can use to gain acceptance of change. This is because people never destroy what they have themselves created. If employees are involved and allowed to participate in the change process from the beginning itself, then they will feel motivated, better understand the change process and eagerly help in making the change successful.
3. **Facilitation and Support:** Another method to overcome resistance to change is to encourage, support, train, counsel and provide the required resources to help those who are affected by change to adapt to new requirements. People may fear change and managers should try to understand their fear and anxiety and try to remove their fears.

4. **Persuasion, Rewards and Bargaining:** Another tactic of reducing resistance to change is to persuade them through rewards or incentives. Rewards can be monetary or non-monetary. Monetary rewards may be like a better pension scheme, a sickness protection insurance scheme etc. Non-monetary rewards may be a more impressive job title, certificates of recognition etc. Bargaining can be also used to minimise resistance to change. In bargaining both management and those affected by change try to reach to a compromise where they agree to each other's demands in exchange for something.
5. **Coercion and Threats:** Sometimes managers use coercion and threats of negative consequences to force acceptance of the proposed change. For example, managers may threaten the employees with disciplinary actions if they do not comply with change. But this method may not always work and generally should not be used by managers as the first method of minimising resistance to change.
6. **Security and Guarantees:** Another method of making people accept change is to minimise feelings of insecurity and fears of becoming useless for the job. The employees should be assured of a guaranteed and continued income even if they are sent to a different job or place within the company and they should be trained continuously so that there is no fear in their mind about their inability to perform adequately in a new situation.

Managers can minimise resistance to change by applying the methods described. It is very important to first identify the causes for resistance and then apply the proper technique as per the demand of the situation to overcome this resistance.

3.10 CHANGE AGENTS

Meaning of Change Agent:

We already know that change is a continuous process involving managers at all levels, who should initiate change and how has to be deliberately decided in planned change. Planned change can be introduced

through change agents.

Change agent is the person who initiates change in the organisation to increase organisational effectiveness.

Planned change may be change in people, structure or technology. Any resistance in introducing change is overcome by the change agent who motivates the employees to accept the change. Internal management takes help of external consultants in introducing planned change.

A change agent acts as a:

1. Facilitator: As he/she facilitates change by developing awareness about the importance of change.
2. Consultant: He/she draws major plan for change based on his diagnostic skills.
3. Counselor:He/she studies the attitudes, personality, perception, beliefs and expectations of organisational members to the change process and motivates them to accept change and continue in the changed environment till a change is introduced again.

Change agents can be:

1. External Change Agents
2. Internal Change Agents.

Let us now discuss it in the following ways:

1. ***External change agents:***They are generally the behavioural scientists who specialise in human behaviour. They work as consultants for the company and devise its change strategy.
2. ***Internal change agents:*** They are continuously involved in the change process. They belong to the organisation and depending on the need where the change is required, they are selected from different levels and departments. Internal change agents are usually the managers who are trained by the consultants (external change agents) to implement change as on ongoing process.Internal change agents may also be change advisors appointed from specific departments for specific periods. After the change programme is completed, they go to their original departments.They convince organisational members to accept and implement the change.

Qualities of Change Agents:

Change Agents should have the following qualities for making change programme successful:

1. Diagnostic skills.
2. Behavioural skill.
3. Attitudes of acceptance.
4. Personal qualities to provide emotional support and reassurance.



CHECK YOUR PROGRESS

Q 4: Why do people in organisations resist change?

.....

Q 5: Explain how we can overcome or minimise resistance to change.

.....

Q6: Who is a Change Agent

.....



3.11 LET US SUM UP

- Change is a continuous process and it is important for any organisation. Every individual, groups and organisations have to constantly cope with change in order to survive. It's important for managers to design effective change manage programs. Change in an organisation is guided by two forces- external force and internal force. A change in the external environment forces an organisation to bring about internal changes within the organisation. For implementing effective change programs organisations will have to respond to change through better designed strategies.
- It's important for managers to have an understanding of the various approaches of planned change. Three important approaches are-
  a) Kurt Lewin's Change Model states that it's important to understand

the driving and restraining forces of change within an organisation in order to help it to move from its current situation to a future new state. It suggests that change process consists of three steps - unfreezing, moving and refreezing.

b) Another model is the Action Research model which focuses on planned change as a cyclical process involving collaboration between organization members and OD practitioners. It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after action is taken.

c) The third model of planned change is the Positive Model which focuses on what is right or good about the organisation .It promotes broad member involvement in creating a shared vision about the organisation's positive potential which acts as the guiding force in bringing about change.

- People within an organisation may resist change because of fear of the unknown and other reasons. Resistance to change may be detrimental for the change process. Its important for organisations to identify the reasons for resistance and use effective methods to overcome or minimise the resistance. The methods may be like involvement and participation of employees, educating and training the people, bargaining and so on.



3.12 FURTHER READING

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4) Harvey,R.T., and Broyles, A.E., (2010): Resistance to Change: A Guide to Harnessing Its Positive Power, R & L Publications, New York.

5) Burke, W.W. (2002). Organizational Change: Theory and Practice, Sage Publishers, London.

3.13 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Anything new from the old state of things is change. Organisational change refers to any alteration that occurs in the overall work environment of the organisation. This change may be in the form of new technology, process, structure etc

Ans to Q No 2: The main concept behind Lewin's change model is that at any given point of time, there are two forces in an organisation – one set of forces called the driving force which pushes the organisation towards change and another set of forces called restraining or pull forces which try to maintain the status quo i.e. the present situation. To bring effective change the driving forces needs to be changed and he had suggested that to change an organisation needs to undergo three stages – unfreezing, moving and refreezing.

Ans to Q No 3: The positive model focuses on what the organization is doing right. It helps members understand their organisation when it is working at its best and builds off those capabilities to achieve even better results. The positive model is a positive approach to change. It has been applied to planned change mainly through a process called appreciative enquiry in which members of the organisations are asked to share their positive experiences in the organisation, what they value most about themselves, their tasks, and the organisation as a whole, what are the realistic possibilities of making their organisation an even better one

Ans to Q No 5: People in organisation resist because of reasons like fear of the unknown new situation, fear of losing their job, fear of being transferred to a position where their power and status will go down, not clearly understanding the benefits of change, group norms which prevent them from accepting the change and organisational culture which do not encourage new ways of thinking and behaving.

Ans to Q No 6: Resistance to change can be minimised through measures like active involvement and participation of employees from the very beginning of the change process, educating and training people about the benefits of change, persuasion, rewards and bargaining, coercion, securities and guarantees and helping and supporting them to overcome their fears and concerns regarding change.



3.14 MODEL QUESTIONS

Q 1: What is organisational Change? Why is change important for any organisation?

Q 2: Explain the external and internal forces of change.

Q 3: Discuss a few strategies for change.

Q 4: Discuss Lewin's change model with suitable examples in organisational context.

Q 5: Why is action research described as a cyclical process of systematic scientific inquiry? Discuss the steps in this process to bring about effective changes in organisations.

Q 6: Explain the positive model of change. How is it different from Lewin's change model and action research model?

Q 7: Why do people resist change in organisations? How can this resistance be minimised ?

Q 8: Discss the various types of Organizational change.

Q 9: Who is a Change Agent.

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UNIT 4: VALUES AND ETHICS IN OD

UNIT STRUCTURE

4.1 Learning Objectives

4.2 Introduction

4.3 Professional Values in OD

4.4 Value Conflict and Dilemma

4.5 OD Values and Changing Themes over Time

4.6 Ethics in OD

4.7 Ethical Dilemmas in Practicing OD

4.8 Factors that Influence Ethical Judgement

4.9 Let Us Sum Up

4.10 Further Reading

4.11 Answers to Check Your Progress

4.12 Model Questions

4.1 LEARNING OBJECTIVES

After going through this unit, you will be able:

- discuss the concept of professional values in OD
- learn about value conflict and ethical dilemma
- trace the OD values and changing themes over time
- discuss ethics in OD
- discuss the ethical dilemmas in practicing OD
- outline the factors that influence ethical judgement.

4.2 INTRODUCTION

In this unit we are going to discuss the concept of professional values and ethical dilemma in organisational development. We have already discussed in the previous units that Organizational development is a planned system-wide change that uses behavioral science and humanistic values, principles and practices to achieve greater organizational performances, productivity and performances. Thus, OD practitioner has to have values

to be in harmony with the organizational performance.

Values are set of manners that individuals learn while growing up. It is different from ethics because ethics are publicly agreed on, and publicly stated, guidelines for a practice in a profession. Let us discuss the various aspects related to valiues and ethics in OD.

4.3 PROFESSIONAL VALUES IN OD

A set of values, assumptions and beliefs constitute an integral part of organization development, shaping the goals and methods of the field and distinguishing OD from other improvement strategies. Values are beliefs about what is desirable or good and what is undesirable or bad.

Professional values are those beliefs and principles which guide professional behaviour at workplace. Traditionally, OD professionals have promoted a set of humanistic, optimistic and democratic values. Humanistic values state the importance of the individual; respect and dignity, view all people as having the potential for growth and development. Optimistic values state that people are basically good, that progress is possible and desirable in human affairs, and that reason and goodwill are the tools for making progress. Democratic values assert the right of people to be free from misuse of power, the importance of fair and equitable treatment for all, and the need for justice through the rule of law and due process. Based on these values OD professionals have tried to help organizations build trust and collaboration among members and an open, problem solving climate.

Recently, OD practitioners have added to the humanistic values a concern for improving organizational effectiveness (for example, to increase productivity or reduce turnover) and environmental sustainability (to protect the environment). They have shown an increasing desire to promote human, economic, and ecological values in practicing OD. The values of humanizing organizations, improving their effectiveness and sustaining the environment have received widespread support in the OD profession as well as increasing encouragement from executives, employees, labour leaders and government officials.

Example of Professional Values in an Indian Pharmaceutical Company

A leading Indian pharmaceutical company has adopted the following values of openness, confrontation, trust, authenticity, proactiveness, autonomy, collaboration and experimentation in order to ensure a culture of trust and openness. These important values form the OCTAPACE culture in a company necessary for initiating OD activities and interventions. These values are interpreted as follows in the Sales and Marketing function of the same company:

1. **Openness:** It involves informing the superiors in advance about shortfall in targets to be achieved and informing the distribution function about expiry of products.
2. **Confrontation:** It involves discussing with the distribution function the non-availability of physical stocks, defending the product-wise target based on market potential and requesting the research and development team to reduce product price in comparison to competitors' pricing strategies.
3. **Trust:** It involves restricting improper use of information available on product marketing strategies, appreciating suggestions from others on product improvement and sales managers taking actions on problems as reported by the field force.
4. **Authenticity:** It includes sales managers establishing procedures for doctors, avoiding false sales forecast, consistent application of criteria for selecting doctors for investments etc
5. **Proaction:** It includes preparing a focused doctors' list for a new product to be launched, preparing contingency plans to maintain sales targets to be achieved and recommending strategies to increase market share.
6. **Autonomy:** It involves allowing line managers to take decisions on doctors within the framework of the policy, making realistic targets based on last year performance supported by market etc
7. **Collaboration:** It involves departmental heads identifying the developmental needs of the field force with emphasis on training, joint field working with representatives and providing necessary inputs to the sales administration for quicker settlement of grievances of the field

employees.

8. **Experimentation:** It involves encouraging new marketing strategies for new products, identifying suitable developmental programme for sales personnel and forming new methods to capture the field wise effectiveness of Medical Sales Representatives.

4.4 VALUE CONFLICT AND DILEMMA

Value conflict and dilemma may arise in OD when different groups give different priorities to each value. Values can come into conflict within practitioners or between practitioners and clients and lead to dilemmas about what to do. In practice, OD professionals face serious challenges in simultaneously promoting human, ecological and economic values. Many practitioners are facing situations in which there is conflict between employees' need for greater meaning and satisfaction from their work and the organization's need for more effective and efficient use of its resources. For example, expensive equipment may run most efficiently if it is highly programmed and routinized , but employees may not derive satisfaction from working with such technology. Should efficiency be maximized at the expense of people's satisfaction or can technology be changed to make it more humanly satisfying while remaining efficient ?These are the value dilemmas that OD practitioners have to face in trying to optimize human benefits, organizational effectiveness and environmental sustainability.

OD practitioners, in addition to dealing with value conflicts within the organization, have to deal with value conflicts with powerful outside groups also. Organizations exist in an increasingly changing environment. For example, hospitals are facing complex and changing environments which have led to increase of external stakeholders, medical groups, insurance companies, employers, government, stockholders, press and other interest groups. These external groups often have different and competing values for judging the organization's effectiveness. For example, stockholders may judge the firm in terms of earnings per share, patients in terms of quality of care and ecology groups in terms of hazardous waste

disposal. Because organizations depend on these external groups for resources they cannot ignore these competing values. OD practitioners need to develop new interventions and competence in OD to manage external relationships. They must not only have social skills but also political skills and understand the distribution of power, conflicts of interest and value dilemmas in managing external relationships and pay greater attention to how their own values fit with those of the organization.



CHECK YOUR PROGRESS

Q 1: What are professional values?

.....

Q 2: When can value conflict and dilemma arise?

.....

4.5 OD VALUES AND CHANGING THEMES OVER TIME

The OD values and their themes have been changing over time. Organization Development themes means areas under which techniques are used in OD process like communication, whole organization improvement, participation, productivity, culture, efficiency, etc. The early OD values were humanistic, democratic and developmental in nature. The emphasis was on human-social aspects rather than on technical-production focus. Yet the early OD pioneers had not lost sight of effectiveness, performance, productivity and efficiency. The earliest OD values, philosophy and methods were influenced by findings from behavioural sciences. The core values of OD which have developed over time are discussed below:

1. **Fundamental Values**

a. **Life and the quest for happiness:** Respecting people, appreciating, and loving the experience of their own and other's while being engaged in the pursuit of happiness.

b. Freedom, responsibility and self-control: People experiencing their freedom, exercising it responsibly and being in charge of themselves.

c. Justice: People living lives whose results are fair and equitable.

2. Personal and Interpersonal Values (may be also larger system values)

a. Human potential and empowerment: People being healthy and aware of the fullness of their potential and realizing their potential and doing the best they can individually and collectively.

b. Respect, integrity, dignity, worth and fundamental right of individuals and other human systems: People appreciating one another and their rights as human beings including life, liberty and the pursuit of happiness.

c. Authenticity, honesty and openness, understanding and acceptance:

People being true to themselves acting consistently with their feelings, being honest and open with one another and constructively confronting differences, and empathizing with and accepting others who do the same.

d. Flexibility, change and proaction: People changing themselves on one hand and acting assertively on the other in a continuing process whose aim is to maintain a good fit between themselves and the external reality within which they live.

3. System Values (may be also values at personal and interpersonal levels)

a. Learning, development, growth and transformation: People growing in ways that bring greater realization of their potential, individual and collectively.

b. Co-operation, collaboration, trust, community and diversity: People caring about one another and working together to achieve results that are good for everyone, and experiencing the spirit of community and honouring the diversity that exists within the global community.

c. Widespread, meaningful participation in system affairs, democracy and appropriate decision making: People participating as fully as

possible in making decisions that affect their lives.

d. **Effectiveness, efficiency and alignment:** People achieving desired results with an optimal balance between results and costs.

New values like a concern for improving organizational effectiveness (for example, to increase productivity or reduce turnover) and environmental sustainability (to protect the environment) have been added to OD.

4.6 ETHICS IN OD

Organizational change efforts are being used to solve many human, structural and technological problems in modern organizations. This has increased the use of OD and led to growth in the number of OD practitioners. This rapid expansion of both OD practice and practitioners gives rise to a number of ethical questions which are

- Who are its clients and what are its power implications?
- What norms of professional responsibility should govern the work of the OD practitioner?
- What are the rights of OD participants particularly when their power positions are weak compared to the initiators of change?
- Is OD a morally neutral tool applicable to any organizational setting, or are there situations in which its use is ethically questionable?

The field of OD has always shown concern for the ethical conduct of its practitioners. Ethical issues in OD are concerned with how practitioners perform their helping relationship with organizational members. In any helping relationship there is the possibility for misconduct and client abuse. OD practitioners can let personal values stand in the way of good practice, use the power inherent in their professional role to abuse (often unintentionally) organization members, or favour one group of stakeholders at the expense of other stakeholders. So, ethics in OD is important to prevent ethical problems.

4.7 ETHICAL DILEMMAS IN PRACTICING OD

Ethical dilemmas are situations in which there is choice to be made

between two options, neither of which resolves the situation in an ethically acceptable manner. In OD ethical dilemmas are the results of behaviours and inappropriate actions or roles on the part of both the OD practitioner and the client systems. It may occur because each party is pursuing different goals and each is using different skills and values to achieve those goals.The major types of ethical dilemmas in OD practice are discussed below

1. **Misuse of Data:** A huge amount of data or information is obtained by the OD practitioner during the entry and diagnostic phases of OD. Although OD practitioners value openness and trust, it is important for them to be aware of how such data are going to be used. It is a human tendency to use data to enhance a power position. Openness is one thing, but leaking inappropriate information can be harmful to individuals and the organization. Misuse of data as a breach of ethics in OD may occur in two ways. It may occur when data are distorted, deleted or not reported by either the client system or the OD practitioner or when data are used to assess persons or groups punitively, resulting in personal, professional or organizational harm. So, to minimize misuse of data, practitioners should reach an agreement with organization members about how data collected during the change process will be used and review the agreement periodically as per changing circumstances.
2. **Misrepresentation:** Misrepresentation occurs when OD practitioners claim that an intervention will produce results that are unreasonable for the change program or the situation. The client can contribute to the problem by portraying inaccurate goals and needs. In either case, one or both parties are operating under false pretences and an ethical dilemma exists. Misrepresentation may occur in the entering and contracting phases of planned change when the initial consulting relationship is being established. To prevent misrepresentation, OD practitioners need to gain clarity about the goals of the change effort and to explore openly with the client its expected effects, its relevance to the client system, and the practitioner's competence in executing the intervention.

3. **Coercion:** Coercion occurs when organization members are forced to participate in an OD intervention. People should have the freedom to choose whether to participate in a change program if they are to gain self-reliance to solve their own problems. For example, in a team building exercise, team members should have the option of deciding whether to be involved or not involved in the intervention. Management should not decide on their own that team building is good for members. Many organization members have little information about OD interventions, what they involve and the nature and consequences of becoming involved in them. So, OD practitioners need to educate clients about interventions before choices are made for implementing them.
4. **Technical Ineptness:** This ethical dilemma occurs when OD practitioners try to implement interventions for which they are not skilled or when the client attempts a change for which it is not ready. Selection of an appropriate intervention is very important for the success of any OD program which depends on careful diagnosis of the organization. Selecting an intervention is closely related to the practitioner's own values, skills and abilities. In solving organizational problems, many OD practitioner's tend to emphasize a favourite intervention or technique like team building or survey feedback. The intervention chosen may not be suitable for that particular organizational problem.
5. **Value and Goal Conflict:** This ethical dilemma occurs when the purpose of the change effort is not clear or when the client and the practitioner disagree over how to achieve the goals. The important practical issue for OD consultants is whether it is justifiable to withhold services unilaterally from organizations that does not agree with their values or methods. Argyris, 1961 says that OD consultants role are comparable to those of lawyers or physicians, who, in principle, are not permitted to refuse their services. He suggests that the very least the consultant can do is to provide 'first aid' to the organization as long as the assistance does not compromise the values of the consultant.

4.8 FACTORS THAT INFLUENCE ETHICAL JUDGEMENT

Ethical judgment is reasoning about the possible actions in the situation and judg- ing which action is most ethical. A person making an ethical judgment uses reason to decide what is the best solution or decision is to a problem. The following factors influence ethical judgement in a workplace or business-

1. **Personal background:** The personal background of a manager that is his cultural and his experiential background play a very important role in making ethical judgements. Gender, race, religion and socio-economic status also guide him while taking decisions.
2. **Loyalty:** Loyalty in relationships may sometimes be considered as an important factor while making judgements. In ethical decision making relationships may play a very important and powerful role.
3. **Group dynamics:** Sometimes the group decisions can influence the ethical judgement of a manager. He may not feel that the decision is ethical but agree due to group pressure.
4. **Situations:** Sometimes certain situations may also influence the ethical judgement of people in organizations.
5. **Social Norms:** The norms of the society can also influence the ethical judgement of an individual belonging to that particular culture. What is ethical in one culture may be considered unethical in another culture.



CHECK YOUR PROGRESS

Q 3: What are the changing themes of OD values over time?

.....

Q 4: What is an ethical dilemma?

.....

Q 5: What are the types of ethical dilemmas in OD?

.....

Q 6: What are the factors that influence ethical judgement in business?

.....



4.9 LET US SUM UP

- The field of OD rests on a foundation of professional values which help to define what OD is and guide its implementation. Professional values are those beliefs and principles which guide professional behaviour at workplace. These professional values help in differentiating OD from other change techniques.
- Conflict of values between OD practitioner and client system may lead to ethical dilemma. OD practitioners have to deal with value conflicts within the organization and with outside groups also.
- The OD values and their themes have been changing over time. The early OD values were humanistic, democratic and developmental in nature. New values like a concern for improving organizational effectiveness and environmental sustainability have been added to OD.
- Some ethical dilemmas in OD are misuse of data, misrepresentation, coercion, client manipulation, client dependency, technical ineptness and value and goal conflict. And the factors affecting ethical judgement are personal background, loyalty, group dynamics, situations and social norms.



4.10 FURTHER READING

1) French,W., and Bell H.C. (1998). Organisation Development, Pearson Education, India
2) Jones, B.B., and Brazzel, M.(2014).The NTL Handbook of Organization Development and Change: Principles, Practices and perspectives, John Wiley & Sons
3) Modh, S., (2008). Ethical Management:Text and cases in Business Ethics and Corporate Governance, Trinity Press, India

4) Walton ,R.E. and Warwick, D.P. (1973). The Ethics of Organization Development, Journal of Applied Behavioural Sciences,Vol. 9.

4.11 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q No. 1: Professional values are those beliefs and principles which guide professional behaviour at workplace. Examples of professional values are integrity, openness, productivity, efficiency, authenticity etc

Ans. to Q No. 2: Value conflict and dilemma may arise in OD when different groups give different priorities to each value. Values can come into conflict within practitioners or between practitioners and clients and lead to dilemmas about what to do.

Ans. to Q No. 3: The OD values and their themes have been changing over time. The early OD values were humanistic, democratic and developmental in nature. New values like a concern for improving organizational effectiveness and environmental sustainability have been added to OD.

Ans. to Q No. 4: An ethical dilemma is a situation in which there is choice to be made between two options, neither of which resolves the situation in an ethically acceptable manner. In OD ethical dilemmas are the results of behaviours and inappropriate actions or roles on the part of both the OD practitioner and the client systems. It may occur because each party is pursuing different goals and each is using different skills and values to achieve those goals.

Ans. to Q No. 5: The ethical dilemmas in OD are misuse of data, misrepresentation, coercion, client manipulation, client dependency, technical ineptness and value and goal conflict.

Ans. to Q No. 6: The factors that influence ethical judgement in business are personal background, loyalty, group dynamics, situations and social norms.

4.12 MODEL QUESTIONS

Q 1: Define professional values. Explain with the help of an example.

Q 2: Write a note on OD values and changing themes over time.

Q 3: Discuss the relevance of ethics in OD.

Q 4: Explain the ethical dilemmas in OD faced by OD practitioners.

Q 5: Explain the factors that influence ethical judgement.

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UNIT 5: MODEL AND PROCESS OF MANAGEMENT OF ORGANIZATIONAL CHANGE

UNIT STRUCTURE

5.1 Learning Objectives

5.2 Introduction

5.3 Planned Change

5.4 Models and Theories of Planned Change

- 5.4.1 Kurt Lewin's Change Model
- 5.4.2 Burke Litwin's Model of Change
- 5.4.3 Porras and Robertson's Model

5.5 Systems Theory

5.6 Socio Technical Systems (STS) Theory and Open Systems Planning (OSP)

5.7 Participation and Empowerment

5.8 Teams and Teamwork

5.9 Parallel Learning Structure

5.10 Normative Re-educative Strategy of Change

5.11 Applied Behavioural Science

5.12 Action Research

- 5.12.1 Action Research as a process
- 5.12.2 Phases of the Model

5.13 Let Us Sum Up

5.14 Further Reading

5.15 Answers To Check Your Progress

5.16 Model Questions

5.1 LEARNING OBJECTIVES

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

- learn the theories and models of Planned Change
- describe Sociotechnical Systems Theory and Open Systems Planning
- learn the concept of Participation and Empowerment;Teams and

Teamwork

- discuss Normative-Reeducative Strategy of Change
- learn Applied Behavioural Science and Action Research

5.2 INTRODUCTION

In the earlier unit we have discussed the concept of Organization design, change and culture. OD is neither “anything done to better an organization” nor is it “the training function of the organization”; it is a particular kind of change process designed to bring about a particular kind of end result. In this unit we are going to discuss the model and theories of Planned Change. Also, you will be able to learn the concept of Teams and Teamwork & Systems Theory. Besides, the concept of Normative Re-educative Strategy of Change, Applied Behavioral Science and Action Research will be part of one discussion in the unit.

5.3 PLANNED CHANGE

For initiating planned change, the manager needs to watch constantly the changes taking place in the external and internal environment of the business so that corrective measures are taken accordingly and the changes could be effected successfully. There are three models for planned change. They are a) Kurt Lewin’s Change Model b) Burke Litwin’s Model c) Porras and Robertson’s Model

Changes can be introduced successfully only when there are conducive factors in existence in the system. Kurt Lewin developed a useful technique, named the Force Field Analysis, for diagnosing whether or not the given system is conductive for introducing change.

Lewin’s model of change is derived from the laws of physics, which state that the position of an object and its direction are determined by the forces operating on it. In his model, Lewin used three terms – driving forces, restraining forces, and quasi-static equilibrium to explain human behaviour at any given point of time. He contends that a person’s behaviour is the product of two opposing forces. One force pushes toward preserving the

status quo (restraining force), and another force (driving force) pushes for change. When the two opposing forces are approximately equal (quasi-static equilibrium), current behaviour is occurred. For changing behaviour, the forces maintaining status quo must be overcome. This can be accomplished by increasing the driving forces, reducing the restraining forces or by converting a restraining force into driving force.



LET US KNOW



About Kurt Lewin: Kurt Lewin was born on September 9, 1890 in the village of Mogilno in Prussia (now part of Poland).In 1909 Kurt Lewin entered the University of Frieberg to study Medicine. He then transferred to the University of Munich to study Biology. Around this time he became in involved in the socialist movement. His particular concerns appear to have been the combating of anti-Semitism, the democratization of German institutions, and the need to improve the position of women. Lewin is often recognized as the "founder of social psychology" and was one of the first to study group dynamics and organizational development.In 1916 he earned a Ph.D. from the University of Berlin.1921 - Became a lecturer at the Psychological Institute of the University of Berlin. 1935 - Became a professor at the University of Iowa; published A Dynamic Theory of Personality. 1944 - Established research center at Massachusetts Institute of Technology (MIT). Died at age 57 on February 12, 1947.

5.4 MODELS AND THEORIES OF PLANNED CHANGE

The development of models of planned changed facilitated the development of OD. We begin with comparing organizations with animate objects like human beings. Why organizations change can be better

understood by understanding why individuals change. Individuals experience two types of changes. *One,* they try to adjust and adapt to the changes occurring in the external environment such as the offer of a new job, sickness, competition or loss of property. *Second,* even if nothing changes in the external environment, still individuals automatically keep changing (e.g. adulthood, old age, family responsibilities etc.)

Like human beings, organizations are also an open system. Therefore, the same reasons also apply to organizational changes. Organizations change because of situational fluctuations in the environmental demands and also because it is in their nature to grow and develop.

A short list of some of the changes which affected almost all organizations in the past few decades is given below:

- Technological innovations have multiplied; products and know-how are fast becoming obsolete.
- Basic resources have progressively become more expensive.
- Competition has sharply increased.
- Communication and computers have reduced the time needed to make decisions.
- Environmental and consumer interest groups have become highly influential.
- The drive for social equity has gained momentum.
- The economic inter-dependence among countries has become more apparent.

Organizational changes are of two types*: Reactive Changes* and *Proactive Changes*.

1. *Reactive changes* occur when forces compel an organization to implement change without delay. In other words, when demands made by the forces are complied with in a passive manner, such a change is called reactive change.
2. *Proactive changes* occur when some factors make organizations think over and finally decide that implementation of a particular change is necessary. Then, change is introduced in a planned manner.

The difference between reactive and proactive changes can be made on the basis of behavioral angle, as shown below:

a. Reactive changes involve a reflexive behaviour whereas proactive change involves purposive behaviour.
b. Reactive change covers a limited part of the system but proactive change coordinates the various parts of the system as a whole.
c. While reactive changes respond to immediate symptoms, proactive changes address the underlying forces of creating symptoms.



CHECK YOUR PROGRESS

Q 1: Fill in the blanks:

a. ..... occur when forces compel organization to implement change without delay.

b. Organizations change because of ..... fluctuations in the environmental demands.

c. Lewin's model of change is derived from the laws of .....

d. Organizations is an ..... system

Q 2: What do you understand by proactive change?

.....

5.4.1 Kurt Lewin's Change Model

Under Lewin's change model there are two theories namely:

a. Resultant Theory and
b. Three stage model Theory

a. Resultant Theory: "The current sate of things at any point is the result of opposing forces". This theory is stated by Kurt Lewin. Here, the method used is the Force Field Analysis.

LET US KNOW



Force field analysis is a management technique developed by Kurt Lewin, a pioneer in the field of social sciences, for diagnosing situations. It will be useful when looking at the variables involved in planning and implementing a change program and will undoubtedly be of use in team building projects, when attempting to overcome resistance to change.

b. Three stage model Theory: There are three-step processes in the model, these are:*unfreezing, changing and refreezing*. A description of each of these steps is given below:

1. Unfreezing: No change occurs in a vacuum of no prior perspective. To the extent the new perspective differs from the old one, the old one then implies the doubting of its own existence. This necessitates unlearning of old things in order to learn new things. The same is called unfreezing.

Unfreezing involves encouraging individuals to discard old behaviours by shaking up the equilibrium state that maintains *status quo*. Unfreezing is accomplished by linking rewards with willingness to change and punishment with unwillingness to change. Thus, individuals are made to feel that they have to forget their old ways and accept the new way. They are convinced to accept the fact that change needs to occur. In this way, individuals allow the boundaries of their status quo to be opened in preparation for change.

2. Changing: The second step in the change process is changing or moving. Having unlearned his post experience, the individual is ready for new behaviour and a change in perspective. Then efforts are made to substitute new attitudes, values, and behaviours for old ones. Individuals are provided with models to emulate. This helps them identify themselves. *Internalization* is another process of changing. Internalization refers to such situation where an individual is required to behave in a new manner in order to operate effectively in such given situation. This implies the trial and error learning of a new behaviour.

3. Refreezing: Refreezing is the final step in the change process. In this step, new attitudes, values, and behaviours are established as the new status quo. For this, the new ways of operating are cemented in and reinforced. The managers need to ensure the organizational compatibility so that the new behaviour is repeated again and again.

In most of training programmes for business executives, during the training period, the executives learn an ***umpteen*** number of new behaviours. Some of the behaviours they accept also, but when they go back to their organizations they soon forget the new behaviour because of want of appropriate atmosphere in the organization to display their newly learned behaviour. Therefore, this calls for reinforcement of new behaviour to make it one's usual or *status quo* behaviour.



Umpteen: Innumerable but many

In short, Kurt Lewin's three-stage model of the change process can be summarized as follows:

Stage 1: *Unfreezing*: Creating motivation and readiness through:

a. Disconfirmation or lack of confirmation.

b. Creation of guilt or anxiety.

c. Provision of psychological safety.

Stage 2: *Changing*: Helping the client to see things, judge things, feel things, and react to things differently based on a new point of view obtained through

a. Identifying with a new role model, mentor, etc

b. Scanning the environment for new relevant information.

Stage 3: *Refreezing*: Helping the client to integrate the new point of view into:

a. The total personality and self-concept

b. Significant relationship

Lewin's three-stage model is a powerful tool for understanding change situations. A modification of Lewin's model was proposed by Lippitt, Watson and Westley. They expanded the three-stage model into a seven-stage model representing the consulting process. Their seven stage model, which lays out the logical steps involved in OD consulting, is as follows:

Stage 1: Developing a need for change.

Stage 2: Establishing a change relationship. In this stage a client system

is in need of help and a change agent from outside the system establishes a working relationship.

Stage 3: Clarifying or diagnosing the client system's problem

Stage 4: Examining alternative routes and goals; establishing goals and intentions of action

Stage 5: Transforming intentions into actual change efforts

Stages 3, 4 and 5 correspond to Lewin's *changing (moving)* phase.

Stage 6: Generalizing and stabilizing change: This stage corresponds to Lewin's *refreezing* phase.

Stage 7: Achieving a terminal relationship, that is, terminating the client-consultant Relationship



CHECK YOUR PROGRESS

Q 3: State True or False:

a. In three stage model theory field force analysis is used (True / False)
b. The three stage model has five stage (True/False)
c. The second stage of the three stage model theory is changing stage. (True/False)
d. Lippitt Watson and Westly modified Lewin's Model into 8 stage (True/False)

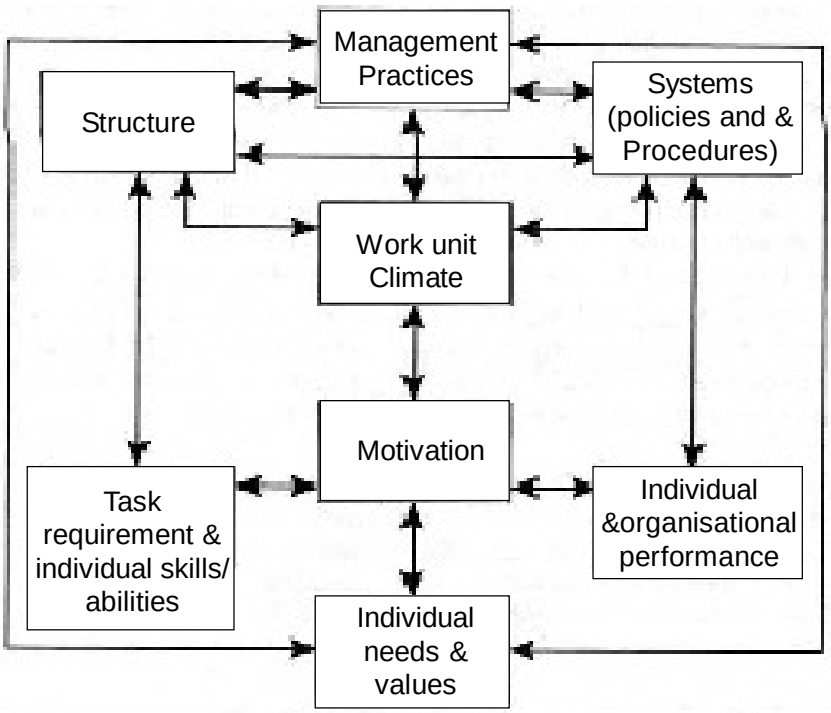
5.4.2 Burke-Litwin Model of Change

Now let us look at the Burke-Litwin model. Burke-Litwin Model of Change has identified two kinds of change.They are First Order Change and Second Order Change:

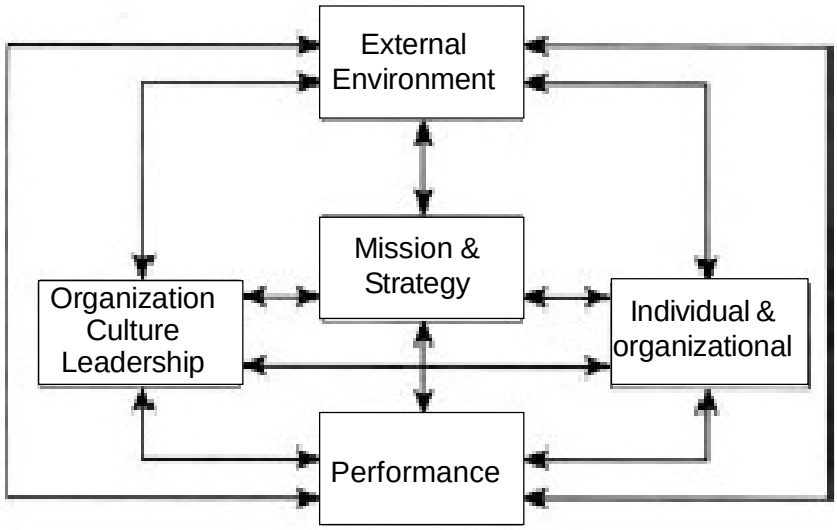
1. **First Order Change:** First Order Change happens when some features of the organization change. OD interventions directed towards structure, management practices, and systems (policies and procedures) results in first order change. It leads to:

- Transactional change
- Organizational climate

The following figure shows the factors involved in first-order (transactional) change. Changing structure, management practicesand systems cause changes in work unit climate which changes motivation and, in turn, individual and organizational performance.



2. **Second Order Change:** On the other hand, if we want to cause second-order (transformational) change, we must change out mission and strategy, leadership styles, and organization culture, as shown in the figure below. It happens when the organization undergoes certain fundamental changes. OD interventions directed towards mission and strategy, leadership and organization culture result in second order change.



5.4.3 Porras and Robertson's Model

Jerry Porras and his associates developed a model of how organizational development works.This model shows how OD interventions can be linked to factors in the work setting. For example, OD interventions that focus on goals, strategies, and rewards will affect organizing arrangements. Interventions that focus on culture, management style, and interaction processes will affect social factors. Interventions that focus on job design and work flow design will affect technology.

5.5 SYSTEM THEORY

A second foundation of OD is system theory which views organizations as an open system in active exchange with their environment. Systems theory is one of the most powerful conceptual tools available for understanding the dynamics of organizations and organizational change. Fagen defines system as "a set of objects together with relationships between the objects and between their attributes". Kast and Rosenzweig refer to a system as "an organized, unitary whole composed of two or more interdependent parts, components, or subsystem, and delineated by identifiable boundaries from its environmental suprasystem". To summarize, system denotes interdependency, interconnectedness among elements in

a set that constitutes an identifiable whole or ***gestalt.***

The Nature of Systems: The nature, dynamics, and characteristics of open systems are well known. Organizations are open systems. Therefore, studying open systems leads to a good understanding of organizations.

All open systems are *input-throughput-output* mechanisms. Systems take *inputs* from the environment in the form of energy, information, money, people, raw materials, and so on. They do something to the inputs via throughput, conversion, or transformation processes that change the inputs; and they export products to the environment in the form of *outputs*. Each of these three system processes must work well if the system is to survive and be effective.

Every system is delineated by a boundary. What is inside the boundary is the system, and what is outside the boundary is the environment. Boundaries of open systems are ***permeable*****,** in that they permit exchange of information, resources, and energy between system and environment.

Open systems have *purposes and goals*, the reasons for their existence. These purposes must align with the purposes or needs in the environment. For example, the organization's purposes will be reflected in its outputs, and if the environment does not want these outputs, the organization will cease to exist. These characteristics of open systems explain many phenomena we observe in organizations.



Gestalt: a set of things such as a person's thought or experiences that is considered as a single system which is different from the individual thoughts, experiences within it.



Permeable**:** Allowing something to pass through.

CHECK YOUR PROGRESS

Q 4: What is system theory?

.....

Q 5: Name the two kinds of change which was developed by Burke-Litwin Model of change.

.....

5.6 SOCIOTECHNICAL SYSTEMS THEORY (STS) AND OPEN SYSTEMS PLANNING (OSP)

Two major variations in open systems theory are sociotechnical systems theory (STS) and open systems planning (OSP). They play an important role in OD.

Sociotechnical systems theory was developed by Trist and Emery at Tavistock Institute in the 1950s. The theory states that all organizations comprise two independent systems - a social system and a technical system, and that changes in one system affect the other system. To achieve high productivity and employee satisfaction, an organization must optimize both systems. STS is the principal conceptual foundation for efforts in work redesign and organization restructuring which are the two active segments of OD today. A number of design principles have been developed to implement sociotechnical systems theory. Principles such as optimizing social and technical systems, forming autonomous work groups, training group members in multiple skills, giving information and feedback to the people doing the work, and identifying core tasks help STS consultants to structure organizations and to perform the tasks for maximum effectiveness and efficiency. High-performance organizations almost always use principles from sociotechnical systems theory.

OPEN SYSTEM PLANNING

Open systems planning entails:

a. Scanning the environment to determine the expectations and stakeholders.
b. Developing scenarios of possible futures, both realistic (likely to happen if the organization continues on its current course) and ideal (what the organization would like to see happen); and
c. Developing action plans to ensure that a desirable future occurs.

Most OD practitioners engaged in redesign projects use a combination of sociotechnical systems theory and open systems planning.

In conclusion, systems theory pervades the theory and practice of OD, from diagnosis to intervention to evaluation. Viewing organizations from

this perspective has several consequences:

First, issues, events, forces and incidents are not viewed as isolated phenomena, but seen in relation to other issues, events, and forces.

Second, because, most phenomena have more than one cause, a systems approach encourages analysis of events in terms of multiple causation rather than single causation.

Third, changing one part of a system influences other parts; therefore, OD practitioners expect multiple effects, not single effects, from other activities.

Fourth, according to Lewin's force field theory, the forces in the field at the time of the event are relevant forces of analysis; this idea moves the practitioners away from analyzing historical events and towards examining contemporary events and forces. And ***fifth,*** to change a system, one changes the whole system, not just its component parts.

5.7 PARTICIPATION AND EMPOWERMENT

One of the most important foundations of OD is a participation/ empowerment model. Participation in OD programs is not restricted to elites or the top people; it is extended throughout the organization.

To empower is to give someone power, which is done by giving individuals the authority to make decisions, to contribute their ideas, to exert influence, and to be responsible. Participation is an especially effective form of empowerment. Participation enhances empowerment, and empowerment in turn enhances performance and individual well-being.

OD interventions are deliberately designed to increase the involvement and participation of the organization leaders and members. For example, autonomous work groups, quality circles, team building, survey feedback, quality of work life programmes and the culture audit are all predicated on the belief that increased participation will lead to better solutions. OD interventions are basically methods for increasing participation. The entire field of OD is about empowerment.

5.8 TEAMS AND TEAMWORK

A fundamental belief in OD is that work teams are the building blocks of organizations. A second fundamental belief is that teams must manage their culture, processes, systems, and relationships if they are to be effective. Teams and teamwork are part of the foundation of OD.

It is known that the act of empowering individuals greatly increases their performance and satisfaction, but, putting those empowered individuals into teams creates extraordinary effects on performance and satisfaction.

Teams are important for a number of reasons. First, much individual behaviour is rooted in the sociocultural norms and values of the work team. If the team, as a team, changes those norms and values, the effects on individual behaviour are immediate and lasting. Second, many tasks are so complex they cannot be performed by individuals; people must work together to accomplish them. Third, teams create synergy, that is, the sum of the efforts of the team members is far greater than the sum of the individual efforts of people working alone. Synergy is a principal reason for team work. Fourth, teams satisfy people's need for social interaction, status, recognition, and respect.



CHECK YOUR PROGRESS

Q 6: Fill in the blanks:

a. The full form of STS .....

b. The full form of OSI .....

c. OD interventions are methods for increasing .....

Q 7: What do you mean by Team work?

.....

.....

5.9 PARALLEL LEARNING STRUCTURE

Parallel learning structures, specially created organizational structures for planning and guiding organization change, is another important foundation of OD. Dale Yader introduced this concept in 1974 under the label collateral organization and defined it as "a supplemental organization coexisting with the usual, formal organization". The purpose of the collateral organization is to deal with "ill-structure" problems which the formal organization is unable to resolve.

Parallel learning structures are a mechanism to facilitate innovation in large bureaucratic organizations where the forces of inertia, hierarchical communication patterns, and standard ways of addressing problems inhibit learning, innovation and change. In essence, parallel structures are a vehicle for learning how to change the system, and then leading the change process.

Parallel structures help people break free of the normal constraints imposed by the organization, engage a genuine inquiry and experimentation, and initiate needed changes. Parallel learning structures are the foundation of OD because they are prevalent in so many different OD programs. The quality of work life programs of the 1970s and 1980s used parallel structures composed of union leaders, managers, and employees. Most sociotechnical systems redesign efforts and the open systems planning programs use parallel structures. High performance organizations often use parallel structures to coordinate the self-directed teams.

5.10 NORMATIVE RE-EDUCATIVE STRATEGY OF CHANGE

Organization development involves change, and it rests on a particular strategy for change that had implications for organization members. Chin and Benne described *three* types of strategies for changing. The *first type* of empirical-rational self-interest, and will change if and when they come to realize change is advantageous to them. The *second* group of strategies is normative re-educative, based on the assumption that norms

form the basis for behaviour, and change comes through re-education in which old norms are discarded and supplanted by new ones. The *third set* of strategies is the power-coercive strategies, based on the assumption that change is compliance of those who have less power with the desires of those who have more power. Evaluated against these three change strategies, OD clearly falls within the normative-re-educative and empirical-rational strategies. Because norms are socially accepted beliefs held by groups about appropriate and inappropriate behaviours, norms can best be changed by focusing on groups, not the individual. Norms help determine individual behaviour and a normative-re-educative strategy of changing pervades the practice of OD.

5.11 APPLIED BEHAVIOURAL SCIENCE

OD is the application of behavioural science knowledge, practices, and skills on ongoing systems in collaboration with system members. Although human behaviour in organizations is far from an exact science, lawful patterns of events produce effectiveness and ineffectiveness. OD practitioners know about these patterns through research and theory.

A conventional distinction is made between (1) “pure” or basic science, the object of which is knowledge for its own sake, and (2) “technology” applied science, or practice, the object of which is knowledge to solve practical, pressing problems. OD emphasizes the latter, applied science or practice. From this “practice theory”, the OD practitioner works; first diagnosing the situation then selecting and implementing treatments based on the diagnosis, and finally evaluating the effects of the treatments

5.12 ACTION RESEARCH

The basic model underlying most OD activities is the action research model – a data based, problem solving model that replicates the steps involved in the scientific method of enquiry. The processes involved in the action research are:

- Data collection
- Feedback of the data to the client, and
- Action planning based on the data.

The action research model focuses on planned changes as a cyclical process involving collaboration between organizational members and OD practitioners. It places heavy emphasis on data gathering and diagnosis prior to action planning and implementation, as well as careful evaluation of results after the action is taken. Action research is aimed both at helping a specific organization increase its effectiveness and at developing new knowledge that can be applied in other setting.

5.12.1 Action Research as a Process

Several authors have noted the importance of viewing action research as a process. Action research is described as process, that is, as an ongoing series of events and action. Action research can be defined as a process of systematically collecting research data about an ongoing system relative to some objective, goal or need of the system; feeding these data back in the system; taking action by altering selected variables within the system based both on the data and on hypotheses; and evaluating the results of action by collecting more data. This definition characterizes action research in terms of the activities comprising the process: first a static picture is taken of an organization on the basis of 'what exist'; hunches and hypotheses suggest action; these actions typically entail manipulation of some variable in the system that is under the contract of the action researcher; later a second static picture is taken of the system to examine the effects of the action taken.

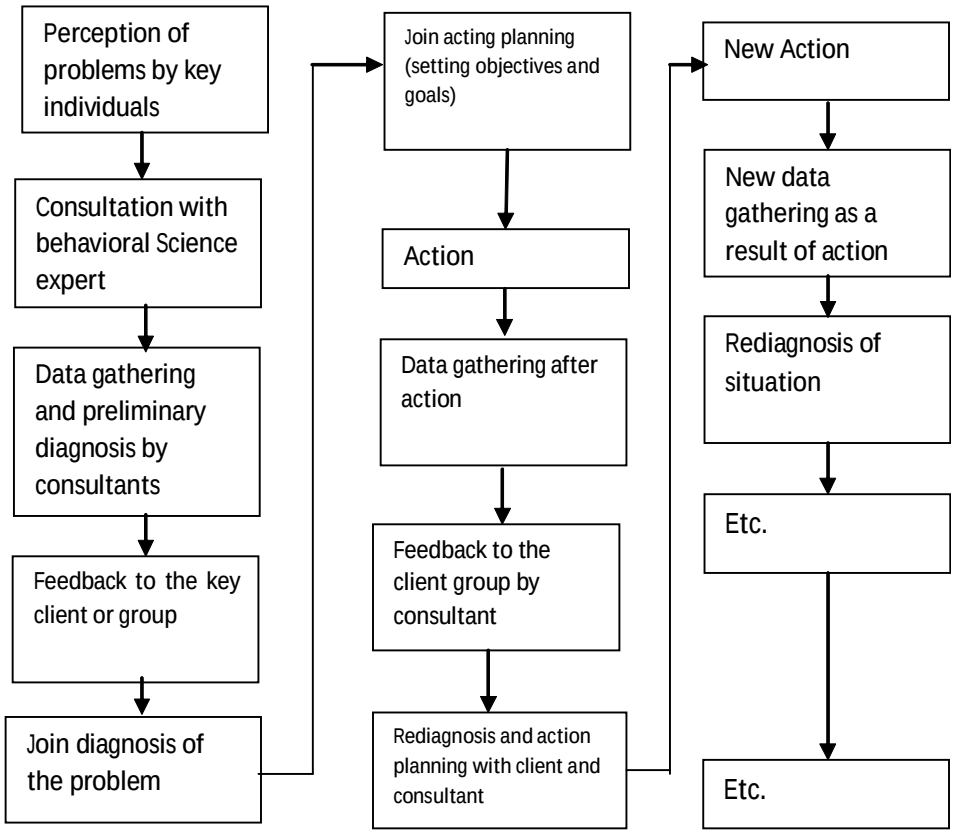


Fig 5.1 Action Research Model

5.12.2 Phases of the Model

Figure 5.1 shows the cyclical phases of planned change as viewed from the action research model. There are seven main steps:

1. **Problem Identification:** This stage usually begins when a key executive in the organization or some one with power and influence senses that the organization has one or more problems that might be alleviated with the help of an OD practitioner.
2. **Consultation with a Behavioural Science Expert**: During the initial contract, the consultant or change agent and the client carefully assist each other. The change agent has his or her own normative, developmental theory or frame of reference and must be conscious of these assumptions and values. Sharing them with the manager from the beginning establishes and opens an collaborative atmosphere.

3. **Data Gathering and Preliminary Diagnosis:** This stage is usually completed by the consultant, often in conjunction with organizational members. The four basic methods of gathering data are: interviews, process observation, questionnaires, and organizational performance data. The most effective diagnosis begins with observation and then it proceeds to a semi-structured interview, and concludes with a questionnaire to measure precisely the problems identified by the earlier steps.
4. **Feedback to Key Client or Group:** Since action research is a collaborative activity, the data are fed back to the client, usually in a group or work team meeting. The feedback step, in which the group is given the information gathered by the consultant, helps the group determine the strengths and weaknesses of the organization or the department under study. The consultant provides the client with all relevant and useful data. Obviously, the consultant will protect those sources of information and will, at times, withhold data if the group is not ready for the information or if the information would make the client overly defensive.
5. **Joint Diagnosis of Problem:** At this point, the group discusses the feedback, and the focus returns to research as the change agent and the members of a group discuss whether this is a problem on which the group intends to work. A close relationship exists among data gathering, feedback, and diagnosis because the basic data from the client are summarized by the consultant and presented to the group for validation and further diagnosis. It is important to point out that the action research process is very different from the doctor-patient model, in which the consultant comes in, makes a diagnosis, and prescribe a solution. Failure to establish a common frame of reference in the client-consultant relationship may lead to faulty diagnosis or a communication gap whereby the client is sometimes unwilling to believe the diagnosis or accept the prescription.

6. **Action:** Next, the consultant and the management jointly agree on further action to be taken. This is the beginning of the unfreezing process, as the organization moves to a different quasi-stationary equilibrium. At this stage, one cannot be specific about the action to be taken, since this depends on the culture, values and norms of the organization; the diagnosis of the problem; and the time and expense of the intervention.
7. **Data Gathering after Action:** Since action research is a cyclical process, data must also be gathered after action has been taken in order to monitor, measure, and determine the effects of the action and feed the results back to the organization. This, in turn, may lead to re-diagnosis and new action.



CHECK YOUR PROGRESS

Q 8: What do you mean by Action Research Model?

.....

Q 9: Explain parallel learning structure.

.....

Q 10: Name the main phases of Action Research Model.

.....



5.13 LET US SUM UP

- There are three models for planned change. They are a) Kurt Lewin's Change Model b) Burke Litwin's Model c) Porras and Robertson's Model
- Organizational changes are of two types*: Reactive Changes* and *Proactive Changes*.
- Under Lewin's change model there are two theories namely:
  a. Resultant Theory
  b. Three stage model Theory

- Three stage model Theory: There are three-step processes in the model: *unfreezing, changing and refreezing*.
- Burke-Litwin Model of Change has identified two kinds of change they are First Order Change and Second Order Change.
- Systems theory is one of the most powerful conceptual tools available for understanding the dynamics of organizations and organizational change.
- Two major variations in open systems theory – sociotechnical systems theory (STS) and open systems planning (OSP) – play an important role in OD.
- Teams and teamwork are part of the foundation of OD
- Participation enhances empowerment, and empowerment in turn enhances performance and individual well-being.

5.14 FURTHER READING

1) Wendell L. French, Cecil H. Bell, (2006), *"Organization Development: Behavioral Science Interventions For Organization Improvement"*, Pearson Higher Education.
2) S. Ramnarayan & T V Rao (2011), *"Organization Development: Accelerating Learning And Transformation"*, Sage India.
3) Madhukar Shukla (1999), *"Understanding Organisation"*, Pretice Hall.
4) Kavita Singh (2010), *"Organizational change and development*", Excell Books.

5.15 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: a. Reactive Changes b. Situational c. Physics d. Open

Ans to Q No 2: Proactive changes occur when some factors make organization think over and finally decide that implementation of a particular change is necessary.

Ans to Q No 3: a. False b. False c. True d. False

Ans to Q No 4: "System theory is a set of objects together with relationships between the objects and between their attributes".

Ans to Q No 5: a. First Order Change and b. Second Order Change

Ans to Q No 6: a. Sociotechnical Systems Theory b. Open Systems Planning c. Participation

Ans to Q No 7: Teamwork is work performed by a team towards a common goal. In a teamwork environment, people understand and believe that thinking, planning, decisions and actions are better when done cooperatively.

Ans to Q No 8: The action research model focuses on planned changes as a cyclical process involving collaboration between organizational members and OD practitioners.

Ans to Q No 9: Parallel learning structures a supplemental organization coexisting with the usual, formal organization.

Ans to Q No 10: a. Problem Identification

b. Consultation with a Behavioural Science Expert
c. Data Gathering and Preliminary Diagnosis
d. Feedback to Key Client or Group
e. Joint Diagnosis of Problem
f. Action
g. Data Gathering after Action



5.16 MODEL QUESTIONS

Q 1: Explain why organizations change. Distinguish between reactive and proactive change.

Q 2: What is planned change? Describe Lewin's change model.

Q 3: Explain seven-stage planned change model.

Q 4: Why study of open systems leads to better understanding of organization.

Q 5: Explain sociotechnical system.

Q 6: Explain why participation and empowerment is an important foundation of OD.

Q 7: "Parallel structures help people break free of the normal constraints imposed by the organization".

Q 8: What is meant by action research? Describe the processes involved in action research.

*** **** ***

UNIT 6 : MANAGING RESISTANCE TO CHANGE

UNIT STRUCTURE

6.1 Learning Objectives

6.2 Introduction

6.3 Concept of Resistance to Change

6.4 Types of Resistance to Change

6.5 Reasons of Resistance to Change

6.6 Individual resistance to change

6.7 Organisational resistance to change

6.8 Social resistance to change

6.9 Managing resistance to change

6.10 Methods for dealing with Resistance to change

6.11 Overcoming resistance to change

6.12 Group as a means of overcoming resistance to change

6.13 Let Us Sum Up

6.14 Further Reading

6.15 Answers To Check Your Progress

6.16 Model Questions

6.1 LEARNING OBJECTIVES

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

- discuss the concept of Resistance to change
- know the significance of Resistance to change
- understand the different classification of resistance to change
- discuss about how to overcome resistance to change
- Know about group as a means of overcoming the change.

6.2 INTRODUCTION

This unit discusses about various issues and concepts relating to Resistance to change. Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring

as a threat to them. Resistance is the equivalent of objections and disagreement in general. Resistance may take many forms, including active or passive, overt or covert, individual or organized, aggressive or timid. In this unit we will discuss the types of Resistance to Change and reasons of resistance to change. We will also get a fair idea about managing resistance to change and the methods for dealing with resistance to change

6.3 CONCEPT OF RESISTANCE TO CHANGE

Change in an organization often means that job positions and titles also change, which means that roles and responsibilities may shift as well. Resistance occurs when employees don't understand how they fit in with the new way of doing things.Resistance to change is not necessarily always bad, it may help organisation from possible or eventual disaster. In fact, resistance to change by some members provides an opportunity to the top management to evaluate the pros and cons of introducing change more carefully. Resistance encourages the organisation to 'look before it leaps'. Resistance to change may not be bad the organisation because:

1. It may signal the need for improved communication about the meaning and purpose of a change or need to rethink precisely how a proposed change will affect organisational members.
2. It also suggests better ways of developing and introducing changes or indicates the actual inadequacies in a proposed change.

Strong resistance must be overpowered by carefully examining, enlightening and convincing the reasons for such change by the manager or change agent.

Although change is inevitable, people tend to resist it in a rational response based on self-interest. Resistance to change is not always bad or harmful in some cases, resistance is positive also. Resistance to change can also be a source of functional conflict. For example, resistance to a change in product line can stimulate a healthy debate over the merits of the idea and thus, result in a better decision. However, it also hinders adaptation and progress.

It is worth noting that not all change is good. Speed can lead to bad decisions and sometimes those initiating change fail to realize the full magnitude of the effects or their true costs. Rapid, transformational change is risky, and some organizations have collapsed for this reason. Change agents need to carefully think through the full implications.

Some evidences of resistance to change are very overt such as wildcat strikes, work stoppage, turnover and protest about a proposed change. Resistance to change may also be very subtle and indirect, such as dissatisfaction, grievances, requests for transfers, absenteeism and conflict among the members of a work team. The reasons of resistance of change can be divided for analytical purposes, into two broad categories: Individual and organizational resistance to change.

Resistance to change can be positive if it leads to open discussion and debate. These responses are usually preferable to apathy or silence and can indicate that members of the organization are engaged in the process, providing change agents an opportunity to explain the change effort.

Resistance doesn't necessarily surface in standardized ways. It can be overt, implicit, immediate or deferred. It's easiest for management to deal with overt and immediate resistance, such as complaints, a work slowdown, or a strike threat. The greater challenge is managing resistance that is implicit or deferred.

6.4 TYPES OF RESISTANCE TO CHANGE

The following are some of the types of resistance to change:

a. Logical resistance: This is a type of resistance basically arising from the time people genuinely take to adapt and adjust to changes. As for example, when computers became common the accountants had to shift from accounting on paper to digital accounting.

b. Psychological resistance: Here, the resistance occurs purely due to mental and psychological factors. Some of the factors in which the individuals frequently resist are like fear of the unknown, less tolerance to change, dislike towards the management etc.

c. Sociological Resistance: This is yet another type of resistance which relates to the common values and customs of groups. Here, the individuals may be willing to change but they will not be able to due to the peer pressure of the group in which they belong. As for example, if a workers union protest against new management policies, all workers face pressure to protest together.

6.5 REASONS OF RESISTANCE TO CHANGE

In order to facilitate changes, firstly, managers must be able to identify the exact reasons for resistance. Such changes are common in all the organisations. People generally find it easy to continue doing something as they have been already doing for some time. It is very difficult to make them learn something new. Changes always bring alteration in a person's duties, power etc. And therefore the people to whom such changes will affect negatively will always try to resist. Again, people who are adamant in maintaining the customs instead of taking risks and also doing new things will always resist changes. This can mainly happen due to lack of creativity, confidence and insecurities.

Driving Forces to Change	Forces Resisting Change
Internal Force:	**Individual Resistance**
a. New Technology b. Changing work values C. Creating of new knowledge Friendchip d. Product obsolescence e. Desire for leisure and alternativework schedules	a. Fear of the Unknown b. New Learning c. Disruptions of stable d. Distrust of management
Environmental Forces:	**Organisational Resistance**
a. Competition b. Changes in consumer demands c. Resource availability d. Social and political change e. International changes	a. Threat to the power structure b. Inertia of organisational structure c. System Relationship d. Sunk costs and vested interests.



CHECK YOUR PROGRESS

Q 1: Define Resistance to Change

.....

Q 2: Give a reason of resistance to change.

.....

6.6 INDIVIDUAL RESISTANCE TO CHANGE

Individual sources of resistance to change reside in basic human characteristics such as perceptions, personalities and needs. Their resistance to change often occurs on account of the following reasons; here are some of the reasons why individuals may resist change:

Personal Reasons:

a. **Fear of the Unknown:** Changes often bring with it ambiguity and uncertainty. If for example, the introduction of a new computer system requires that the employees learn some specific statistical techniques, some may fear they will be unable to do so. They may, therefore develop a negative attitude toward the introduction of new computer system.

b. **New Learning:** Fordoing new task, one requires to learn a new language, develop a new technology or adjust to a totally new culture. No doubt, learning new ideas can be exciting most people report that excitement comes only after the learning is occurred not before.

c. **Disruption of stable friendship:** Almost all organizational changes disrupt the previous stable friendship. This, in turn results in uncomfortable feelings of social isolation and loneliness. This may serve as a source of indirect resistance to change.

d. **Distrust of Management:** There are well-documented findings available from the history of labour relations that managers exploited labourers. That's why employees often suspect the reason for change and try to oppose the same.

e. Ego Defensiveness: An ego defensiveness subordinate or manager always tries to resist change. For instance, a profitable suggestion made by sales persons to the marketing manager for expansion of market may be turned down because the manager perceives that his ego may be deflated by accepting the suggestion.

f. Status Quo: Change poses disturbance to the existing comforts of status quo. The change may involve uncertainty and risk and may be at the cost of the convenience and happiness of the people. Most of the people are comfortable with status quo and strongly resist change. It is because people typically develop patterns for coping with or managing the current structure and situation.

Social Reasons:

a. Social Displacement: Introduction of change often results in disturbance of the existing social relationship. It may also result in breaking up work groups. Normally, people in the working environment form informal relationships. When the friendship with the fellow members is interrupted then there is possibility for the employees to experience psychological led down.

b. Peer Pressure: Sometimes individuals are prepared to accept change at their individual level but refuse to accept the same for the sake of the group. Whenever change is unwilling to the peers, they force the individual subordinate employees who are bent of accepting the change to resist it. Group, when there is perfect cohesiveness, tends to resist some change collectively.

Economic Reasons:

The fear of change usually focuses on one or more of the following reasons:

Fear of technological unemployment, fear of reduced work hours and consequently less pay, fear of demotion, fear of speed-up and reduced incentive wages.

Among all these obsolescence of skills and fear of economic loss are two important economic reasons for resistance.

a. Obsolescence of skills: The rate at which Computer based technology is growing has conveniently out classed the expertise based on experience. A twenty years experienced accountant is quite likely to resist the introduction of a computer for preparing the wage bill because he feels that it have might affect his position and pay.

b. Fear of economic loss: People resist change that shows the possibility of lowering their income directly or indirectly. Sometimes, introduction of new technology throw people away from doing some important job to less important or dead-end ones where no skills are required to exhibit. When people perceive psychological degradation of the job they are performing, they start to resist such a change.

Other Reasons:

a. Lack of faith in managers: Lack of Mutual trust and faith between managers and subordinates often creates a feeling in the minds of subordinates that the change is being done at the cost of their interest.

b. Low level of tolerance: A change may be beneficial for both employees and the management, requires new ways of learning on the part of employees.

c. Habit: As human beings, we are creatures of habit. To cope with this complexity, we all rely on habits or programmed responses. But when we confronted with change, this tendency to respond in our accustomed ways becomes a cause of resistance.

d. Bitter experience: If the earlier change had not been handled by the management efficiently and the members had a bitter experience, they will resist the new change also.

6.7 ORGANISATIONAL RESISTANCE TO CHANGE

Organisations by nature are conservative. We do not have to look far to see evidence of the same. Government agencies want to continue doing what they have been doing for years, even if there is a need for change in their service. Educational institutions, which exist to open minds and challenge established doctrine are themselves extremely resistance to

change. Most school systems are using essentially the same teachings technologies today as they were 50 years. Likewise the majority of business firms too appear highly resistance to change.

The organizational structure itself also resists change. The reasons of organizational resistance to change have been discussed below:

a. **Threats to the Power Structure:** Most changes have the capacity to disrupt the organization's power structure. Introduction of decentralized decision making is example of change that is often seen as threats to the power of supervisors and middle level managers but a welcome by lower level employees.

b. **Structural Inertia:** Organisational structures have several mechanism designed to produce stability. Accordingly, job assignments, selection, and training of new employees and performance reward systems are designed to maintain stability, thereby resist to change. Whenever an organization is confronted with change, this structural inertia acts as a counter balance to sustain stability.

c. **System Relationship:** Change in one subsystem affects changes in other subsystems also. As already mentioned, any change has domino effect. For example, a change in the accounting department may influence the methods of reporting and recordkeeping of every other department. Hence, the other department may resist to such change.

d. **Sunk Costs and Vested Interest:** Sunk Costs are investments in fixed assets, such as Land and building and machinery. Vested interests are the personal commitments of individuals to programmes, policies or other people. As individuals find it difficult to abandon, so the organizations try to recoup the sunk cost. The same becomes a source of organizational resistance to change.

e. **Limited Focus of change:** Organisations are made up of a member of inter dependant subsystems. We cannot change one without affecting the other. So, limited changes in subsystems tend to get nullified by the large system.

f. Threats by experts: Sometimes a change results in the transfer of responsibility to perform a specialised task to a new individual or group of experts. The expert person loosing the responsibility for performance may resist the proposed change. Moreover, if the change is to be affected through the co-operation of those loosing experts, it would even be more difficult to affect the change successfully.

g. Fear of increase in responsibility: Sometimes a change may result in increase in responsibility of managers. In such a case, the managers may oppose the changes.

h. Limited resources: Any change requiring heavy investment or other resources cannot be diverted for needs of the fund. In such a case, the top management is bound to drop such a new change.

Therefore, it is well accepted that unless the present conditions create enough discomfort, there is no motive for change. Therefore, the challenge before managers i.e. , change agents is to assess how much emotional people feel regarding the change issues for managing resistance to change.

6.8 SOCIAL RESISTANCE TO CHANGE

Even though Social change is universal, societies and cultures are relatively permanent. The social and cultural functions do not change overnight even in the most dynamic populations. In no society all changes are welcomed without questioning or by resistance by the people. But still to some extent the removal of the evil practices like child marriage, human sacrifice, animal sacrifice, untouchability, taboos on inter-caste marriages etc could be achieved after a long struggle in India.

Again, the opposition to woman suffrage in the United States lasted for more than fifty years and the opposition to the abolition of slavery was accomplished only after a prolonged war. It was only in the beginning of 20th century that women were given voting rights in Britain after much opposition. It took long years for some major changes/reforms to take place in Christianity.

Some of the reasons for opposition to social change are enumerated below:

a. **Lack of new inventions:** Social changes depends o the invention of new objects, techniques, devices to a great extent. Changes might take place without much of the opposition if the people have the strong craving for new things. Lack of interest in inventions as such, do not provide a favourable atmosphere for change.

b. **Rejection of new inventions:** new inventions have been more resisted than welcomed by the people. From the history many examples are there of opposition such as, Opposition came in the British parliament for the use of steam energy in British Naval Ships.

c. **Fear towards the New:** People in general express their fear towards the new while making use of the new objects, listening to the new thoughts, and also following a new practice. Indians have shown in the beginning their fear and suspicion while accepting the British medicine, undergoing English education etc.

d. **Imperfections of new inventions:** It is quite common that in the beginning inventions are generally subject to imperfections, such as inadequate performance, easy breakage etc. And so are social inventions where people may oppose them for their inadequacies.

e. **Ignorance:** Due to ignorance people often tend to oppose new inventions or changes. It usually takes time for a new discovery, tool and technique to be understood. Opposition to technical invention can be removed in course of time by demonstrating its effective workability. But the social invention may be opposed by the people for an indefinite time, because its concrete demonstration is difficult.

f. **Economic disparity and difficulty:** The gap between the rich and the poor and extreme economic distress also come in way of social change. Like, people who are suffering from various economic problems are not prepared to accept changes, as because they are economically incapable of accepting the new change.

g. **Intellectual laziness and Administrative defects:** Inefficient and corrupt administrative machinery also provides obstacles to change.

To adapt the changes people require some amount of creativity, dynamism and rationality. If these are absent they may fail to realize the importance and also the usefulness of the new ideas.

h. The power of vested interests: This is yet another source of opposition to innovation. Individuals who feel that social change endangers their interests are likely the ones to oppose it. Such persons may organize themselves as opposition groups when their 'rights' are threatened.

Similarly, people oppose changes if their self interests are endangered. Finally, it can be rightly said that all resistance are not harmful. In some instances, opposition to social change is justifiable. Some changes will prove to be harmful when they are judged from the point of view of a certain standard of values. Thus, Resistance to change has its positive side also. All changes cannot be welcomed as worthwhile and beneficial.

6.9 MANAGING RESISTANCE TO CHANGE

Organizational change is inevitable. Therefore, managers should be sensitive to the barriers or resistance to changes so that it can be overcome. In a sense, resistance to change is simply a form of feedback that can be used very productively to manage the change process. This, of course, is easier said than done. However, several useful approaches have been developed and suggested to manage the organizational change. The six key ones are reviewed here briefly:

a. Education and Communication: Communicating the logic of a change can reduce employee's resistance on two levels. First, it fights the effects of misinformation and poor communication. If employees receive the full facts and clear up misunderstandings, resistance should subside. If reason of resistance to change is misunderstanding about the change, it can be reduced by providing employees with details why change is needed. Employees can be educated about the change through one on one discussion, memos, group presentations or reports. New information is a powerful force for change in ambiguous situations. For

example new employee orientations are particularly effective in changing the behaviour of new employees, because they wouldn't have known how to behave otherwise. Studies on the introduction of computers in the workplace indicate that providing employees with opportunities for hands on practice helps alleviate fears about the new technology. Employees who have experience with computers display more positive attitudes and greater efficiency.

b. Participation: Research evidence lends support to the fact that individuals find it difficult to resist a change decision in which they participated. Hence, before a change is introduced particularly those oppose the change can be brought into the decision process. In a classical study, workers in a garment factory were introduced to change in three different ways. One group was simply told about the new procedure, one group was introduced to the change by a trained worker and one group was allowed to help plan the implementation of the new production. The results were dramatic. The third group, those who participated in the change, adopted the new methods very quickly, was more productive and experienced no turnover. Participation was an effective tactic for overcoming resistance to change at a government office in the state government of Gujarat. Faced with the tough task of reducing the use of its time and resources, the cash-strapped department involved employees in a continuous improvement process to help find better ways to do their jobs more efficiently.

c. Facilitation and Support: Another strategy for managing resistance to change is providing support and empathy to those employees who have trouble dealing with the change. When employees fear and anxiety are high, counselling and therapy, new-skills training or a short paid leave of absence may facilitate adjustment. Employees are also more of accepting changes when they are committed to the organization as a whole. So, firing up employees and emphasizing their commitment to the organization overall can also help them emotionally commit to the change rather than embrace the status quo. However, like education

and participation, this strategy also suffers from the drawbacks, such as it is time-consuming and expensive also.

d. **Negotiation:** Negotiation particularly with a group of powerful individuals resisting to change is yet another strategy to deal with potential resistance to change. For this, a specific reward package can be negotiated with the powerful individuals to meet their individual needs. In addition, once a few powerful individuals are made so ready avoid resistance to change; it may so happen that they are being blackmailed by the change agents to resolve even rather crucial matters in their favour.

e. **Manipulation and Cooptation:** Manipulation refers to covert influence attempts. Twisting facts to make them more attractive, withholding information, and creating false rumours to get employees to accept change are all examples of manipulation. If management threatens to close a manufacturing plant whose employees are resisting an across the board pay cut, and if the threat is actually untrue, management is using manipulation. Cooptation, on the other hand, combines manipulation and participation. It seeks to 'buy off' the leaders of a resistance group by giving them a key role, seeking their advice not to find a better solution but to get their endorsement. Both manipulation and cooptation are relatively inexpensive ways to gain the support of adversaries, but they can backfire if the targets become aware they are being tricked or used. Once that's discovered, the change agent's credibility may drop to zero.

f. **Coercion:** The organization, as a last resort, can apply direct threats on the resisters to make them ready accept the proposed change. Threats of transfer, loss of promotion, negative performance evaluation, a poor report on performance, and dissatisfactory recommendation are the examples of coercion. It is levelled with advantages and disadvantages similar to those with manipulation and cooptation.



CHECK YOUR PROGRESS

Q 3: Give a Personal reason for individual resistance to change.

.....

Q 4: Mention one social reason for individual resistance to change.

.....

Q 5: What are the major causes of organisational resistance to change?

.....

6.10 METHODS FOR DEALING WITH RESISTANCE TO CHANGE

The folloing table shows the methods for dealing with resistance to change:

Strategy	Example	When used	Problems
Communication	Customer Complaint letters are shown to employees	When employees don't feel and urgency for change or don't know how the change will affect them	Time-consuming and potentially costly.
Training	Employees learn how to work in teams as the company adopts a team based structure.	When employees need to break old routines and adopt new role patterns	Time-consuming and potentially costly.
Employee Involvement	Company forms a task force to recommend new customer service practices.	When the change effort needs more employees commitment, some employees need to save face, and/or employee ideas would improve decisions about the change strategy.	Very time-consuming, may also lead to conflict and poor decisions if employees interests are compatible with organisation needs.
Strees management	Employees attend sessions to discuss their worries about the change	When communication, training and involvement do not sufficiently ease employees worries	Time-consuming and potentially costly. Some methods may not reduce strees for all employees.

Negotiation	Employees agree to replace strict job categories with multiskilling in return for increased job security	When employees will clearly lose something of value from the change and would not otherwise support the new conditions. Also necessary when the company must change quickly.	May be expensive, particularly if other employees want to negotiate their support. Also tends to produce compliance, but not commitment to the change.
Coercion	Company president tells managers to get on board and accept the change or leave.	When other strategies are ineffective and the company needs to change quickly.	Can lead to more subtle forms of resistance, as well as long term antagonism with the change agent.

6.11 OVERCOMING RESISTANCE TO CHANGE

The change can be implemented successfully only after the acceptance of employees. The easiest way to get the acceptance of the employees is their participation in the change efforts.

John Kotter and Leonard Schlesinger have suggested some of the following ways to overcome resistance to change.

a. Participation and involvement: Research evidence lends support to the fact that individuals find it difficult to resist a change decision in which they participated. In a classic study, workers in a garment factory were introduced to change in three different ways. One group was told about the new procedure, one group was introduced to the change by a trained worker, and one group was allowed to help plan the implementation of the new production. The results were dramatic. Third group was more productive and experienced no turn over. Assuming the participants have the expertise to make a meaningful contribution, their involvement can reduce resistance, obtain commitment and increase the quality of the change decision.

b. Facilitation and support: The change agents can offer a range of supportive efforts to reduce resistance. These supportive efforts include listening providing emotional support, providing training in new skills or giving employees time off after a certain demanding period etc. Facilitative support attempts to remove organizational barriers that might hamper change or implementation of organizational policies to facilitate change.

It includes assistance offered by the organization, such as appropriate tools, materials, advice and training to make the change more effectively.

c. **Incentives – Negotiation and Agreement:** Offering incentives to resistors is another fruitful way of overcoming resistance to change. Where some persons in a group clearly lose out in a change and the group has considerable power to resist, negotiation and agreement is helpful. It becomes relatively easy to avoid major resistance through negotiation.

d. **Shared Rewards:** Top get employee's support for change is to be sure that there are enough rewards for employees in the changed situations. If they see that a change brings them losses and no gains, they can hardly be enthusiastic about it. Rewards also give employees a sense that progress accompanies a change. Both economic and psychic rewards are useful. Employees appreciate a pay increase and promotion, but they also appreciate emotional support, training in new skills and recognition from management.

e. **Employee security:** Existing employee's benefits need to be protected. Security during change is essential. Many employers guarantee workers protection from reduced earnings when new technology and methods are introduced. Seniority rights, opportunities for advancement and other benefits are safeguarded when a change is made. Grievance systems give employee's a feeling of security that benefits will be protected and differences about them fairly resolved.

f. **Education and Communication:** Resistance can be reduced through communicating with employees to help them in understanding the reasons and logic of a change. If employees receive the full facts and get any misunderstanding cleared, resistance will start reducing.

Education as a method of overcoming resistance to change is commonly used in situations where there is lack of information and analysis, especially the initiator needs the resistor's help in implementing change effectively.

g. Use of group forces: Group pressure is an effective instrument for introducing behavioural change on its members to accept organizational change. It is because individual member's behaviour is firmly influenced by the group behaviour to which he belongs. The change agents, therefore, should target the group first and then individuals.

h. Capable Leadership: A good leadership always helps to create a psychological climate to support the change. He should apply his personal qualities to ensure the support of subordinates for change. The various methods for change should be as per general rules and norms of the organization. The leader should try to implement change as per norms and provisions of the organization so that in future there would be no conflict.

i. Timing of Change: Timing of introduction of change can have a considerable impact on resistance. Therefore, management must be very careful in choosing the time when the organizational climate is highly favourable to change. An example of right time is immediately after a major improvement in working conditions.

6.12 GROUPS AS A MEANS OF OVERCOMING RESISTANCE TO CHANGE

Change is an integral part of groups and it becomes imperative to study the group as a medium of change. Here, are some of the characteristics that are essential for the manager when he uses group as a means of overcoming resistance to change.

a. Strong sense of belonging: When there is a strong 'We feeling" prevalent in the minds of individual members, group can be effectively used as a change agent.

b. Group prestige: If the group is attractive to the members, it becomes easy for the group to exert influence on individual members. Group pride often creates a dynamic quality of give and take within the group itself.

c. Individual prestige: If a particular group member has a status or prestige to other members, he can greatly influence them. Prestige

doesn't necessarily accompany authority. For example, official leader and the actual leader of the group may be different personalities.

d. **Attitude values and behaviour:** Groups will be more successful in changing member's attitudes, values and behaviour especially in those areas as are related to the purpose of the group. For example a union leader can exert influence over rank and file members regarding the strikes and lock-outs etc.

e. **Shared information:** Any effort to bring change requires frank and open communication in order to succeed without arousing undue amount of resistance. Shared information brings shared perception in its wake and plays important role in the change process.

f. **Shared Perception:** in a group where members share perception that is needed, change can be easily implemented. The source of pressure for changes lies within the group.



6.13 LET US SUM UP

- Resistance to change is the action taken by individuals and groups when they perceive that a change that is occurring as a threat to them.
- The following are some of the types of resistance to change: a. Logical resistance b. Psychological resistance c. Sociological Resistance
- Reasons for individual resistance to change are :Personal Reasons, social Reasons: and economic Reasons
- The reasons of organizational resistance to change are: a. Threats to the Power Structure b. Structural Inertia c. System Relationship d. Sunk Costs and Vested Interest e. Limited Focus of change f. Threats by experts g. Fear of increase in responsibility and h. Limited resources
- Some of the reasons for opposition to social change are :a. Lack of new inventions b. Rejection of new inventions c.Fear towards the New d. Imperfections of new inventions e. Ignorance f. Economic disparity and difficulty g. Intellectual laziness and Administrative defects and h. The power of vested interests.
- Organizational change is inevitable. Therefore, managers should be

sensitive to the barriers or resistance to changes so that it can be overcome.The six key ones are: Education and Communication, Participation, Facilitation and Support:,Negotiation, Manipulation and Cooptation



6.14 FURTHER READING

1) Wendell L. French, Cecil H. Bell, (2006), *"Organization Development: Behavioral Science Interventions For Organization Improvement"*, Pearson Higher Education.
2) S. Ramnarayan & T V Rao (2011), *"Organization Development: Accelerating Learning And Transformation"*, Sage India.
3) Madhukar Shukla (1999), *"Understanding Organisation"*, Pretice Hall.
4) Kavita Singh (2010), *"Organizational change and development*", Excell Books.



6.15 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Resistance to change by some members provides an opportunity to the top management to evaluate the pros and cons of introducing change more carefully.

Ans to Q No 2: People who are adamant in maintaining the customs instead of taking risks and also doing new things will always resist changes.

Ans to Q No 3: a. Fear of the unknown.

Ans to Q No 4: a. Social Displacement.

Ans to Q No 5: a. Threats to the Power Structure.b. Structural inertia c. System relationship.d. Sunk cost and vested interest



6.16 MODEL QUESTIONS

Q 1: What is Resistance to Change?

Q 2: What are the different types of Resistance to Change?

Q 3: Mention the different Individual factors in relation to Resistance to change.

Q 4: Explain the reasons for resistance to change.

Q 5: How can resistance to change be overcome? Explain in details.

Q 6: 'Group as a means of overcoming resistance to change'- explain

Q 7: Explain the methods for dealing resistance to change.

Q 8: How can Resistance to Change are managed. Explain in details.

Q 9: Mention the different points in relation to social and organizational resistance to change.

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UNIT 7: ORGANIZATIONAL DEVELOPMENT: AN INTRODUCTION

UNIT STRUCTURE

7.1 Learning Objectives

7.2 Introduction

7.3 Definition of Organisational Development (OD)

7.4 Objectives of Organisational Development

7.5 Characteristics of OD

7.6 Historical Background

7.7 Second-Generation OD

7.8 Values, Assumptions, and Beliefs in OD

7.9 Implications of OD Values and Assumptions

7.10 Let Us Sum Up

7.11 Further Reading

7.12 Answers To Check Your Progress

7.13 Model Questions

7.1 LEARNING OBJECTIVES

After going through this unit you will be able to :

- learn the definition of organisational development
- discuss the objectives and characteristics of Organisational Development
- describe the historical background of Organisational Development and recognise the values ,assumptions and beliefs in OD
- discus the implications of OD values and assumptions

7.2 INTRODUCTION

In this unit we are going to dicuss the concept of organisational development. Organizational development (OD) is a conceptual, organization-wise effort to increase an organization's effectiveness and viability. In this unit we are going to discuss the the main objectives of OD

and its characteristics. Again, we will be able get some idea about the values, assumptions and beleifs in OD.

At the end of this unit you will be able to know the various implications of OD values and its assumptions.

7.3 DEFINITION OF ORGANISATIONAL DEVELOPMENT (OD)

In this section we are going to discuss the meaning and definition of OD. Different people have defined Organizational Development (OD) differently. According to Koontz, "OD is a systematic, integrated and planned approach to improve the effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels". Burke has defined OD as "a planned process of change in an organization's culture through the utilization of behavioural science technology, research, and theory". In the opinion of French and Bell, "OD is a systematic approach to organizational improvement that applies behavioural science theory and research in order to increase individual and organizational well-being and effectiveness".

Therefore, OD can be defined as a long-term, more encompassing change approach meant to improve individual as well as organizational well-being in a changed situation.

7.4 OBJECTIVES OF ORGANISATIONAL DEVELOPMENT

The main objectives of organisational development may be mentioned as follows:

1. To improve organizational performance as measured by profitability, market share, innovativeness, etc
2. To make organization better adaptive to its environment.
3. To make the members willing to face organizational problems and to make contribute creative solutions to the organizational problems.
4. To improve internal behavioural patterns such as interpersonal relations,

inter group relations, level of trust and support among the role players.

5. To understand one's own self and others, openness and meaningful communication, and involvement in planning for organizational development.



CHECK YOUR PROGRESS

Q 1: Define OD.

.....

Q 2: Write any three objectives of OD

.....

7.5 CHARACTERISTICS OF OD

The salient characteristics of OD implied in its definition are gathered as follows:

a. OD is a systematic approach to planned change. It is a structured cycle of diagnosing organizational problems opportunities and then applying expertise to them.

b. OD is grounded in solid research and theory. It involves the application of our knowledge of behavioural science to the challenges that the organizations face.

c. OD recognizes the reciprocal relationship between individuals and organizations. It acknowledges that for organizations to change, individuals must change.

d. OD is goal oriented. It is a process that seeks to improve both individual and organizational well-being and effectiveness.

e. OD is designed to solve problems in an organistaion.

7.6 HISTORICAL BACKGROUND

Organization Development emerged largely from applied behavioral sciences. The history of OD is rich with the contributions of behavioural

scientists and practitioners.

Systematic OD activities have a recent history and, to use the ***analogy*** of a mangrove tree, have at least four important trunk stems. One trunk stem consists of innovations in applying laboratory-training insights to complex organizations. A second major stem is survey research and feedback methodology. Both stems are intertvine with a third, the emergence of action research. Paralleling these stems, which are to some extent linked, is a fourth stem – the emergence of the Tavistock sociotechnical and socioclinical approaches. The key actors in these stems interact with each other and are influenced by experiences and concepts from many fields. These disciplines include social psychology, clinical psychology, family group therapy, ethnography, the theatre, general semantics, social work, system theory, mathematics and physics, philosophy, client-centred therapy, survey methodology, experimental and action research, human resource management, organizational behaviour and general management theory.



Analogy : Way of explaining or clarifying something by comparing it to something alse.

7.7 SECOND-GENERATION OD

The context for applying OD approaches has changed to an increasingly ***turbulent*** environment. While practitioners still rely on OD basics, they are giving considerable attention to new concepts, interventions, and areas of application. Among the directions of interest in second-generation OD are:



Turbulant : Involving much conflict, upheaval or confusion

- Organizational Transformation,
- Organizational Culture,
- The Learning Organization,
- High-performance Teams,
- Total Quality Management,
- Visioning and Future Search,
- Business Process Reengineering.

The field of OD is emergent in that a rapidly increasing number of behavioural scientists and practitioners are building on the research and

insights of the past as well as rediscovering the utility of some of the earlier insights.



CHECK YOUR PROGRESS

Q 3: Fill in the blanks:

a. OD is the systematic approach of..... change.

b. OD is a .....oriented process.

c. Survey research and ..... are the second major trunk stem of OD.

Q 4: Name any four directions of interest in second - generation OD-

a. ..... b. ..... c. ..... d. .....

7.8 VALUES, ASSUMPTIONS, AND BELIEFS IN OD

A set of values, assumptions, and beliefs constitutes an integral part of OD, shaping the goals and methods of the field and distinguishing OD from other improvement strategies. These values and assumptions developed from research and theory by behavioural scientists and from the experiences and observations of practicing managers.

Definition 1: A ***belief*** is a proposition about how the world works that the individual accepts as true; it is a ***cognitive*** fact for the person.

Definition 2: ***Values*** are also beliefs and are defined as: beliefs about what is desirable or 'good' (e.g., honesty) and what is undesirable or 'bad' (e.g., dishonesty).

Definition 3: ***Assumptions*** are beliefs that are regarded as so valuable and obviously correct that they are taken for granted and rarely examined or questioned.

Thus, values, assumptions and beliefs are all cognitive facts or propositions. Values, assumptions and beliefs provide structure and stability for people as they attempt to understand the world around them.

OD values tend to be humanistic, optimistic, and democratic.



Cognitive: Connected with mental process of understanding of attaining knowledge through thought, experience and the senses.

Humanistic values proclaim the importance of the individual; respect and dignity. They assume that everyone has intrinsic worth, and view all people as having the potential for growth and development. Optimistic values presume that people are basically good, that progress is possible and desirable in human affairs, and that rationality, reason, and goodwill are the tools for making progress. Democratic values assert the sanctity of the individual, the right of people to be free from arbitrary misuse of power, the importance of fair and equitable treatment for all, and the need for justice through the rule of law and due process.

Values have always been an integral part of OD. In 1969, Warren Bennis proposed that OD practitioners (change agents) share a set of normative goals based on their humanistic/democratic philosophy. He listed the normative goals as follows:

Normative Goals: Normative goals of O. D. are as follows–

1. Improvement in interpersonal competence.
2. A shift in values so that human factors and feelings come to be considered legitimate.
3. Development of increased understanding between and within working groups in order to reduce tensions.
4. Development of more effective "team management", that is, the capacity for functional groups to work more competently.
5. Development of better methods of conflict resolution. Rather than usual bureaucratic methods which rely mainly on suppression, compromise, and unprincipled power, more rational and open methods of conflict resolution are sought.
6. Development of organic rather than mechanical system.

He then went on to state what he believed to be the central value underlying OD theory and practice:

"The basic value underlying all organization development theory and practice is that of choice. Through focused attention and through the collection and feedback of relevant data to relevant people, more choices become available and hence better decisions are made".

These values and assumptions may not seem profound today, but

in the 1950s and 1960s they represented a radical departure from accepted beliefs and assumptions. Beliefs such as trust and respect for the individual, the legitimacy of feelings, open communication, decentralized decision making, participation and contribution by all organization members, collaboration and cooperation, appropriate use of power, authentic interpersonal relations, and so forth were seldom ***espoused*** and rarely implemented in the vast majority of organizations at the time.



Espoused: To adopt or support a cause

CHECK YOUR PROGRESS

Q 5: What do you mean by "Beliefs"?

.....

Q 6: What do you mean by "Assumptions"?

.....

Q 7: Match the following:

a. Optimistic values	1. Importance of the individual , to view all people as having the potential for growth and development.
b. Democratic values	2. Rationality, reasons and goodwill are the tools for making progress.
c. Humanistic values	3. The importance of fair and equi table treatment for all, and the need for justice through the rule of law and due process.

7.9 IMPLICATIONS OF OD VALUES AND ASSUMPTIONS

Some implications of OD assumptions and values for dealing with individuals, groups, and organizations are as follows:

Implications for dealing with individuals: Two basic assumptions

about individuals in organizations pervade organization development. The first assumption is that most individuals have drives toward personal growth and development if provided an environment that is both supportive and challenging. Most people want to develop their potential. The second assumption is that most people desire to make, and are capable of making, a greater contribution to attaining organization goals than most organizational environment permit. The implications of these two assumptions are straightforward; as follows–

Ask '! listen '! support'! challenge'! encourage risk taking'! permit failure'!

'!remove obstacles and barriers'! give autonomy'! give responsibility'!

'!set high standards'! reward! success etc.

Implications for dealing with groups: Several assumptions relate to the importance of work teams and the collaborative management of team culture. First, one of the most psychologically relevant reference groups for most people is the work group, including peers and boss. What occurs in the work group at both the formal and informal levels, greatly influences feelings of satisfaction and competence. Second, most people wish to be accepted and to interact cooperatively with at least one small reference group, and usually with more than one group, such as a work group, the family, or social/religious group, and so on. Third, most people are capable of making greater contributions to a group's effectiveness and development. Implications of these assumptions are several but especially important is that leaders adopt a team leadership style, not a one-to-one leadership style. To do this leader need to give important work to teams, not individuals.

Implications for designing and running organizations: Clearly, traditional hierarchical forms of organization – fairly steep pyramid, emphasis on top-down, directives, grouping by specialized function, adherence to the chain of command, formalized cross-functional communications, and so on – are obsolete. They cannot meet the needs of the marketplace. Therefore, experimenting with new organization structures and new forms of authority is imperative. In addition, a growing awareness that "win-lose"

organizational situations, in which one side wins and the other side loses, are dysfunctional over the long run and highlight the need for a "win-win" attitude. Creating cooperative rather than competitive organizational dynamics is a primary task of the organization's leaders.

It is possible to create organizations that on the one hand are human, developmental, and empowering, and on the other hand are high performing in terms of productivity, quality of output, and profitability. Evidence of this assumption comes from numerous examples where "putting people first" paid off handsomely in profits and performance. The implication is that people are an organization's most important resource; they are the source of productivity and profits and should be treated with care.



7.10 LET US SUM UP

In this unit we have dicussed the following:

- Organisation Development is a systematic, integrated and planned approach to improve the effectiveness of the enterprise.
- Objectives of OD are:
  1. to improve organizational performance.
  2. to make organization better adaptive to its environment.
  3. to make the members willing to face organizational problems.
  4. to improve internal behavioural patterns.
  5. to Understand one's own self and others, openness and meaningful communication.
- The characteristics of OD are:
  (a) OD is a systematic approach to planned change.
  (b) OD is grounded in solid research and theory.
  (c) OD recognizes the reciprocal relationship between individuals and organizations.
  (d) OD is goal oriented.
  (e) OD is designed to solve problems.
- ***Belief*** is a proposition about how the world works that the individual accepts as true; it is a cognitive fact for the person.

- ***Values*** are also beliefs and are defined as what is desirable or 'good' (e.g., honesty) and what is an undesirable or 'bad' (e.g., dishonesty).
- ***Assumptions*** are beliefs that are regarded as so valuable and obviously so correct that they are taken for granted and are rarely examined or questioned.
- We have also discussed the implications of OD values and asumptions, like implication for dealing with individuals, groups and implications for designing and running organisations etc.



7.11 FURTHER READING

1) Wendell L. French, Cecil H. Bell, (2006), *"Organization Development: Behavioral Science Interventions For Organization Improvement"*, Pearson Higher Education.
2) S. Ramnarayan & T V Rao (2011), *"Organization Development: Accelerating Learning And Transformation"*, Sage India.
3) Madhukar Shukla (1999), *"Understanding Organisation"*, Pretice Hall.
4) Kavita Singh (2010), *"Organizational change and development*", Excell Books.



7.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: OD is a systematic approach to organizational improvement that applies behavioural science theory and research in order to increase individual and organizational well-being and effectiveness.

Ans to Q No 2:

1. Improve organizational performance as measured by profitability, market share, innovativeness, etc.
2. Make organization better adaptive to its environment.
3. Make the members willing to face organizational problems and contribute creative solutions to the organizational problems.

Ans to Q No 3: a. Planned b. goal c. Feedback method

Ans to Q No 4: a. The Learning Organization b. High-performance Teams b. Total Quality Management c. Visioning and Future Search

Ans to Q No 5: A *belief* is a proposition about how the world works that the individual accepts as true; it is a cognitive fact for the person.

Ans to Q No 6: *Assumptions* are beliefs that are regarded as so valuable and obviously correct that they are taken for granted and rarely examined or questioned.

Ans to Q No 7: a-2, b-3, c-1



7.13 MODEL QUESTIONS

Q 1: Define Organizational Development and state its characteris.

Q 2: Explain the concept of values, assumption and beliefs in Organizational Development.

Q 3: Discuss the implication of Organizational Development values and assumptions dealing with individuals, groups and organizations.

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