MBA **2018 - 2019**

Semester - IV

18MBAPH402A ORGANIZATIONAL CHANGE AND DEVELOPMENT 4H - 4C

Instruction Hours / week: L: 4 T: 0 P: 0 Marks: Internal: 40 External: 60 Total: 100

End Semester Exam: 3 Hours

COURSE OBJECTIVES:

To make the students

1. To understand and Critically examine the philosophies, values, assumptions associated with organizational paradigms from a change management perspective and to be able to apply organizational development as a meta theory
2. To explore the practice of change management and its limits with strategic management and to understand the management of change process and examine individual group and organizational reactions to change
3. To probe the development role of HR practitioner as facilitators and managers of change and to develop key competencies suitable for application in OD interventions.

COURSE OUTCOMES:

Learners should be able to

1. Understand and analyze different approaches to managing organizational change and understand and utilize the competencies required for effective change management at organization, group and individual levels.
2. Devise effective intervention strategies and function as an internal HR consultant to an organization in transition,
3. Critically evaluate, in an organizational development framework, the theoretical and practical links between development models
4. Demonstrate capabilities of teamwork, critical thinking, and communication skills related to organization change and development concepts.

UNIT I Introduction to organizational Development

Definition, growth and relevance, history and evolution, Theories of planned change, general model of planned change, different types of panned change and critique of planned change. OD practitioner role, competencies and professional ethics.

UNIT II OD Process and Designing OD Interventions

OD process: Initiating OD relationship, contracting and diagnosing the problem, Diagnosing models, open systems, individual level group level and organizational level diagnosis; collection and analysis for diagnostic
information, feeding back the diagnosed information

Designing OD interventions

Human process interventions:- coaching, training and development, process consultation, third part intervention, and team building. Organization confrontation meeting, intergroup relations intervention, and large group intervention, Techno structural interventions:- Structural design, downsizing, reengineering, employee involvement, work design, socio technical systems approach

UNIT III HR and Strategic interventions

HRM interventions:- performance management, goal setting, performance coaching, appraising and rewarding, Career planning, workforce diversity interventions, wellness and

work-life balance, Strategic interventions: Competitive strategies, collaborative strategies, organizational transformation, culture change, self designing organizations, learning and knowledge management.

UNIT IV Organizational change

Nature of change, forces of change, reinventing Kurt Levin, organizational routines and mental models, change need analysis, content of change, types and styles of change, building capability for change, providing leadership to change, action research and dialogue, types of change, organizational vision, cultural change, strategic planning, creating support systems and managing transition, process oriented strategies and competitor oriented strategies and customer oriented strategies.

UNIT V: Appreciating change, Mobilizing support and executing change

External environment as drivers of change, business cycles, industry cycles, technology and strategic change, industry evolution and concentration, developing a change agenda, Cognition and organizational change, mental models, organizational learning, Senge's five disciplines, business models and value propositions, refining the change agenda

Mobilizing support and executing change

Four approaches to change, parallel organization, ownership and involvement in change, dealing with political aspects of change, the psychology of persuasion, communicating to influence, targeting influence efforts, framing change, making difficult choices, negotiating change. Executing change: challenges of execution, execution framework, developing cross functional linkages, aligning policies, and removing structural impediments, developing new routines for innovation and improvement, considering human element.

SUGGESTED READINGS:

1. Thomas G. Cummings , Christopher G. Worley(2015), Organization Development and Change, 10th edition, Cengage Learning.
2. R Jones Gareth, Matthew Mary(2017), Organizational Theory, Design and Change, 7th edition, Pearson Education.
3. French Wendell L, Bell Jr Cecil H , Vohra Veena(2017), Organization Development:Behavioral Science Interventions for Organizational Improvement, 6th edition, Pearson Education.
4. Gervase Bushe, Robert Marshak(2015), Dialogic Organization Development: The Theory and Practice of Transformational Change, 1st edition, Berrett-Koehler Publishers
5. W. Warner Burke (2011), Organization Change: Theory and Practice, 3rd edition, SAGE Publications, New Delhi.

UNIT-I-Introduction to Organizational Development

SYLLABUS

Definition, growth and relevance, history and evolution, Theories of planned change, general model of planned change, different types of panned change and critique of planned change. OD practitioner role, competencies and professional ethics.

Definitions of Organization Development

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

Organization development refers to a long-range effort to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants, or change agents, as they are sometimes called. (Wendell French)

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

Organization development is a system wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at (1) enhancing congruence among organizational structure, process, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization's self renewing capacity. It occurs through the collaboration of organizational members working with a change agent using behavioral science theory, research, and technology. (Michael Beer)

Based on (1) a set of values, largely humanistic; (2) application of the behavioural sciences; and (3) open systems theory, organization development is a system wide process of planned change aimed

toward improving overall organization effectiveness by way of enhanced congruence of such key organization dimensions as external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures. (Warner Burke and David Bradford)

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

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

Second, OD is based on the application and transfer of behavioral science knowledge and practice, including micro concepts, such as leadership, group dynamics, and work design, and macro approaches, such as strategy, organization design, and international relations. These subjects distinguish OD from such applications as management consulting, technological innovation, or operations management that emphasize the economic, financial, and technical aspects of organizations. These approaches tend to neglect the personal and social characteristics of a system. Moreover, OD is distinguished by its intent to transfer behavioral science knowledge and skill so that the system is more capable of carrying out planned change in the future.

Third, OD is concerned with managing planned change, but not in the formal sense typically associated with management consulting or project management, which tends to comprise programmatic and expert-driven approaches to change. Rather, OD is more an adaptive process for planning and implementing change than a blueprint for how things should be done. It involves planning to diagnose and solve organizational problems, but such plans are flexible and often revised as new information is gathered as the change program progresses. If, for example, there was concern

about the performance of a set of international subsidiaries, a reorganization process might begin with plans to assess the current relationships between the international divisions and the corporate headquarters and to redesign them if necessary. These plans would be modified if the assessment discovered that most of the senior management teams were not given adequate cross-cultural training prior to their international assignments.

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

Finally, OD is oriented to improving organizational effectiveness. Effectiveness is best measured along three dimensions. First, OD affirms that an effective organization is adaptable; it is able to solve its own problems and focus attention and resources on achieving key goals. OD helps organization members gain the skills and knowledge necessary to conduct these activities by involving them in the change process. Second, an effective organization has high financial and technical performance, including sales growth, acceptable profits, quality products and services, and high productivity.

OD helps organizations achieve these ends by leveraging social science practices to lower costs, improve products and services, and increase productivity. Finally, an effective organization has satisfied and loyal customers or other external stakeholders and an engaged, satisfied, and learning workforce. The organization's performance responds to the needs of external groups, such as stockholders, customers, suppliers, and government agencies, which provide the organization with resources and legitimacy. Moreover, it is able to attract and motivate effective employees, who then perform at higher levels. Other forms of organizational change clearly differ from OD in their focus. Management consulting, for example, primarily addresses financial performance, whereas operations management or industrial engineering focuses on productivity.

HISTORY OF ORGANIZATION DEVELOPMENT

A brief history of OD will help to clarify the evolution of the term as well as some of the problems and confusion that have surrounded it. As currently practiced, OD emerged from five major backgrounds or stems. The first was the growth of the National Training Laboratories (NTL) and the development of training groups, otherwise known as sensitivity training or T-groups. The second stem of OD was the classic work on action research conducted by social scientists interested in applying research to managing change. An important feature of action research was a technique known as survey feedback. Kurt Lewin, a prolific theorist, researcher, and practitioner in group dynamics and social change, was instrumental in the development of T-groups, survey feedback, and action research. His work led to the creation of OD and still serves as a major source of its concepts and methods. The third stem reflects a normative view of OD. Rensis Likert's participative management framework and Blake and Mouton's Grid® OD suggest a "one best way" to design and operate organizations. The fourth background is the approach focusing on productivity and the quality of work life. The fifth stem of OD, and the most recent influence on current practice, involves strategic change and organization transformation.

Laboratory Training Background

This stem of OD pioneered laboratory training, or the T-group—a small, unstructured group in which participants learn from their own interactions and evolving group processes about such issues as interpersonal relations, personal growth, leadership, and group dynamics. Essentially, laboratory training began in the summer of 1946, when Kurt Lewin and his staff at the Research Center for Group Dynamics at the Massachusetts Institute of Technology (MIT) were asked by the Connecticut Interracial Commission and the Committee on Community Interrelations of the American Jewish Congress for help in research on training community leaders. A workshop was developed, and the community leaders were brought together to learn about leadership and to discuss problems. At the end of each day, the researchers discussed privately what behaviors and group dynamics they had observed. The community leaders asked permission to sit in on these feedback sessions. Reluctant at first, the researchers finally agreed. Thus, the first T-group was formed in which people reacted to data about their own behavior. The researchers drew two conclusions about this first T-group experiment: (1) Feedback about group interaction was a rich learning experience, and (2) the process

of "group building" had potential for learning that could be transferred to "back-home" situations. As a result of this experience, the Office of Naval Research and the National Education Association provided financial backing to form the National Training Laboratories, and Gould Academy in Bethel, Maine, was selected as a site for further work (since then, Bethel has played an important part in NTL). The first Basic Skill Groups were offered in the summer of 1947. The program was so successful that the Carnegie Foundation provided support for programs in 1948 and 1949. This led to a permanent program for NTL within the National Education Association.

In the 1950s, three trends emerged: (1) the emergence of regional laboratories, (2) the expansion of summer program sessions to year-round sessions, and (3) the expansion of the T-group into business and industry, with NTL members becoming increasingly involved with industry programs. Notable among these industry efforts was the pioneering work of Douglas McGregor at Union Carbide, of Herbert Shepard and Robert Blake at Esso Standard Oil (now ExxonMobil), of McGregor and Richard Beckhard at General Mills, and of Bob Tannenbaum at TRW Space Systems.

The Five Stems of OD Practice

Applications of T-group methods at these companies spawned the term "organization development" and, equally important, led corporate personnel and industrial relations specialists to expand their roles to offer internal consulting services to managers.

Over time, T-groups have declined as an OD intervention. They are closely associated with that side of OD's reputation as a "touchy-feely" process. NTL, as well as UCLA and Stanford, continues to offer T-groups to the public, a number of proprietary programs continue to thrive, and Pepperdine University and American University continue to utilize T-groups as part of master's level OD practitioner education. The practical aspects of T-group techniques for organizations gradually became known as team building—a process for helping work groups become more effective in accomplishing tasks and satisfying member needs. Team building is one of the most common and institutionalized forms of OD today.

EVOLUTION IN ORGANIZATION DEVELOPMENT

Current practice in organization development is strongly influenced by these five backgrounds as well as by the trends shaping change in organizations. The laboratory training, action research and survey feedback, normative, and QWL roots of OD are evident in the strong value focus that underlies its practice. The more recent influence of the strategic change background has greatly improved the relevance and rigor of OD practice. They have added financial and economic indicators of effectiveness to OD's traditional measures of work satisfaction and personal growth. All of the backgrounds support the transfer of knowledge and skill to the client system and the building of capacity to better manage change in the future.

Today, the field is being influenced by the globalization and information technology trends described earlier. OD is being carried out in many more countries and in many more organizations operating on a worldwide basis. This is generating a whole new set of interventions as well as adaptations to traditional OD practice. In addition, OD must adapt its methods to the technologies being used in organizations. As information technology continues to influence organization environments, strategies, and structures, OD will need to manage change processes in cyberspace as well as face to-face.

The diversity of this evolving discipline has led to tremendous growth in the number of professional OD practitioners, in the kinds of organizations involved with OD, and in the range of countries within which OD is practiced.

The expansion of the OD Network, which began in 1964, is one indication of this growth. It has grown from 200 members in 1970 to 2,800 in 1992 to 4,031 in 1999 and has remained stable with about 4,000 in 2007. At the same time, Division 14 of the American Psychological Association, formerly known as the Division of Industrial Psychology, has changed its title to the Society for Industrial and Organizational Psychology. In 1968, the American Society for Training & Development set up an OD division, which currently operates as the OD/Leadership Community with more than 2,000 members. In 1971, the Academy of Management established a Division of Organization Development and Change, which currently has more than 2,600 members.

Pepperdine University, Bowling Green State University, and Case Western Reserve University offered the first master's degree programs in OD in 1975, and Case Western Reserve University began the first doctoral program in OD. Organization development now is being taught at the graduate and undergraduate levels in a large number of universities.

In addition to the growth of professional societies and educational programs in OD, the field continues to develop new theorists, researchers, and practitioners who are building on the work of the early pioneers and extending it to contemporary issues and conditions.

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

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

Included among the newest generation of OD contributors are Dave Brown, whose work on action research and developmental organizations has extended OD into community and societal change; Thomas Cummings, whose work on socio-technical systems, self-designing organizations, and trans-organizational development has led OD beyond the boundaries of single organizations to groups of organizations and their environments;56 Max Elden, whose international work in industrial democracy draws attention to the political aspects of OD; Richard Woodman, William Pasmore,

Rami Shani, and Jerry Porras, who have done much to put OD on a sound research and conceptual base; and Peter Block, who has focused attention on consulting skills, empowerment processes, and reclaiming our individuality. Others making important contributions to the field include Ken Murrell, who has focused attention on the internationalization of OD; Sue Mohrman, who has forged a link between organization design and OD; Chris Worley, who has pushed the integration of OD with strategy and organization design; David Cooperrider and Jim Ludema, who have turned our attention toward the positive aspects of organizations; and Bob Marshak, who alerts us to the

importance of symbolic and covert processes during change. These academic contributors are joined by a large number of internal OD practitioners and external consultants who lead organizational change.

Many different organizations have undertaken a wide variety of OD efforts. In many cases, organizations have been at the forefront of innovating new change techniques and methods as well as new organizational forms. Larger corporations that have engaged in organization development include General Electric, Boeing, Texas Instruments, American Airlines, DuPont, Intel, Hewlett-Packard, Microsoft, General Foods, Procter & Gamble, IBM, Raytheon, Wells Fargo Bank, the Hartford Financial Services, and Limited Brands. Traditionally, much of the work was considered confidential and was not publicized. Today, however, organizations increasingly are going public with their OD efforts, sharing the lessons with others.

OD work also is being done in schools, communities, and local, state, and federal governments. Several reviews of OD projects were directed primarily at OD in public administration. Extensive OD work was done in the armed services, including the army, navy, air force, and coast guard, although OD activity and research activities have ebbed and flowed with changes in the size and scope of the military. Public schools began using both group training and survey feedback relatively early in the history of OD. Usually, the projects took place in suburban middle-class schools, where stresses and strains of an urban environment were not prominent and ethnic and socioeconomic differences between consultants and clients were not high. In more recent years, OD methods have been extended to urban schools and to colleges and universities.

Organization development is increasingly international. It has been applied in nearly every country in the world. These efforts have involved such organizations as Saab (Sweden), Imperial Chemical Industries (England), Shell Oil Company, Orrefors (Sweden), Akzo-Nobel (The Netherlands), the Beijing Arbitration Commission and Neusoft Corporation (China), Air New Zealand, and Vitro (Mexico).

Although it is evident that OD has expanded vastly in recent years, relatively few of the total number of organizations in the United States are actively involved in formal OD programs. However, many organizations are applying OD approaches and techniques without knowing that such a term exists.

THEORIES OF PLANNED CHANGE

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

Lewin's Change Model

One of the earliest models of planned change was provided by Kurt Lewin.2 He conceived of change as modification of those forces keeping a system's behavior stable. Specifically, a particular set of behaviors at any moment in time is the result of two groups of forces: those striving to maintain the status quo and those pushing for change. When both sets of forces are about equal, current behaviors are maintained in what Lewin termed a state of "quasi-stationary equilibrium." To change that state, one can increase those forces pushing for change, decrease those forces maintaining the current state, or apply some combination of both. For example, the level of performance of a work group might be stable because group norms maintaining that level are equivalent to the supervisor's pressures for change to higher levels. This level can be increased either by changing the group norms to support higher levels of performance or by increasing supervisor pressures to produce at higher levels. Lewin suggested that decreasing those forces maintaining the status quo produces less tension and resistance than increasing forces for change and consequently is a more effective change strategy.

Unfreezing: This step usually involves reducing those forces maintaining the organization's behavior at its present level. Unfreezing is sometimes accomplished through a process of "psychological disconfirmation." By introducing information that shows discrepancies between behaviors desired by organization members and those behaviors currently exhibited, members can be motivated to engage in change activities.

Moving: This step shifts the behavior of the organization, department, or individual to a new level. It involves intervening in the system to develop new behaviors, values, and attitudes through changes in organizational structures and processes.

Refreezing: This step stabilizes the organization at a new state of equilibrium. It is frequently accomplished through the use of supporting mechanisms that reinforce the new organizational state, such as organizational culture, rewards, and structures.

Lewin's model provides a general framework for understanding organizational change. Because the three steps of change are relatively broad, considerable effort has gone into elaborating them. For example, the planning model developed by Lippitt, Watson, and Westley arranges Lewin's model into seven steps: scouting, entry, diagnosis (unfreezing), planning, action (moving), stabilization and evaluation, and termination (refreezing). Similarly, Kotter's eightwstage process can be mapped onto Lewin's phases: establishing a sense of urgency, creating the guiding coalition, developing a vision and strategy, and communicating the change vision (unfreezing); empowering broad-based action, generating short-term wins (moving); and consolidating gains and producing more change, and anchoring new approaches in the culture (refreezing).

Lewin's model remains closely identified with the field of OD, however, and is used to illustrate how other types of change can be implemented. For example, Lewin's three-step model has been used to explain how information technologies can be implemented more effectively.

Action Research Model

The classic action research model focuses on planned change as a cyclical process in which initial research about the organization provides information to guide subsequent action. Then the results of the action are assessed to provide further information to guide further action, and so on. This iterative cycle of research and action involves considerable collaboration among 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 is traditionally aimed both at helping specific organizations implement planned change and at developing more general knowledge that can be applied to other settings. Although action research was originally developed to have this dual focus on change and knowledge generation, it has been adapted to OD efforts in which the major emphasis is on planned change.

1. Problem Identification: This stage usually begins when an executive in the organization or someone with power and influence senses that the organization has one or more problems that might be solved with the help of an OD practitioner.

2. Consultation with a Behavioral Science Expert: During the initial contact, the OD practitioner and the client carefully assess each other. The practitioner has his or her own normative, developmental theory or frame of reference and must be

3. Data Gathering and Preliminary Diagnosis: This step is usually completed by the OD practitioner, often in conjunction with organization members. It involves gathering appropriate information and analyzing it to determine the underlying causes of organizational problems. The four basic methods of gathering data are interviews, process observation, questionnaires, and organizational performance data (unfortunately, often overlooked). One approach to diagnosis begins with observation, proceeds to a semi-structured interview, and concludes with a questionnaire to measure precisely the problems identified by the earlier steps.10 When gathering diagnostic information, OD practitioners may influence members from whom they are collecting data. In OD, any action by the OD practitioner can be viewed as an intervention that will have some effect on the organization.

4. Feedback to a Key Client or Group: Because action research is a collaborative activity, the diagnostic data are fed back to the client, usually in a group or work team meeting. The feedback step, in which members are given the information gathered by the OD practitioner, helps them determine the strengths and weaknesses of the organization or unit under study. The consultant provides the client with all relevant and useful data. Obviously, the practitioner will protect confidential sources of information and, at times, may even withhold data. Defining what is relevant and useful involves consideration of privacy and ethics as well as judgment about whether the group is ready for the information or if the information would make the client overly defensive.

5. Joint Diagnosis of the Problem: At this point, members discuss the feedback and explore with the OD practitioner whether they want to work on identified problems. A close interrelationship exists among data gathering, feedback, and diagnosis because the consultant summarizes the basic data from the client members and presents the data to them for validation and further diagnosis. An important point to remember, as Schein suggests, is that the action research process is very different from the doctor–patient model, in which the consultant comes in, makes a diagnosis, and prescribes a solution. Schein notes that the failure to establish a common frame of reference in the client–consultant relationship may lead to a faulty diagnosis or to a communication gap whereby the client is sometimes "unwilling to believe the diagnosis or accept the prescription." He believes that "most companies have drawers full of reports by consultants, each loaded with diagnoses and recommendations which are either not understood or not accepted by the 'patient.' "

6. Joint Action Planning: Next, the OD practitioner and the client members jointly agree on further actions to be taken. This is the beginning of the moving process (described in Lewin's change model), as the organization decides how best to reach a different quasi-stationary equilibrium. At this stage, the specific action to be taken depends on the culture, technology, and environment of the organization; the diagnosis of the problem; and the time and expense of the intervention.

7. Action: This stage involves the actual change from one organizational state to another. It may include installing new methods and procedures, reorganizing structures and work designs, and reinforcing new behaviors. Such actions typically cannot be implemented immediately but require a transition period as the organization moves from the present to a desired future state.

8. Data Gathering After Action: Because action research is a cyclical process, data must also be gathered after the action has been taken to measure and determine the effects of the action and to feed the results back to the organization. This, in turn, may lead to rediagnosis and new action.

The action research model underlies most current approaches to planned change and is often considered synonymous with OD. Recently, it has been refined and extended to new settings and applications, and consequently, researchers and practitioners have made requisite adaptations of its basic framework.

Trends in the application of action research include movement from smaller subunits of organizations to total systems and communities. In these larger contexts, action research is more complex and political than in smaller settings. Therefore, the action research cycle is coordinated across multiple change processes and includes a diversity of stakeholders who have an interest in the organization.

Action research also is applied increasingly in international settings, particularly in developing nations in the southern hemisphere. Embedded within the action research model, however, are "northern hemisphere" assumptions about change. For example, action research traditionally views change more linearly than do Asian cultures, and it treats the change process more collaboratively than do Latin American and African countries. To achieve success in these settings, action research is tailored to fit cultural assumptions.

Finally, action research is applied increasingly to promote social change and innovation, as demonstrated most clearly in community development and global social change projects. These

applications are heavily value laden and seek to redress imbalances in power and resource allocations across different groups. Action researchers tend to play an activist role in the change process, which is often chaotic and conflictual.

In light of these general trends, contemporary applications of action research have substantially increased the degree of member involvement in the change process. This contrasts with traditional approaches to planned change, whereby consultants carried out most of the change activities, with the agreement and collaboration of management. Although consultant-dominated change still persists in OD, there is a growing tendency to involve organization members in learning about their organization and how to change it. Referred to as "participatory action research," "action learning," "action science," or "self-design," this approach to planned change emphasizes the need for organization members to learn firsthand about planned change if they are to gain the knowledge and skills needed to change the organization. In today's complex and changing environment, some argue that OD must go beyond solving particular problems to helping members gain the competence needed to change and improve the organization continually.

In this modification of action research, the role of OD consultants is to work with members to facilitate the learning process. Both parties are "co-learners" in diagnosing the organization, designing changes, and implementing and assessing them. Neither party dominates the change process. Rather, each participant brings unique information and expertise to the situation, and they combine their resources to learn how to change the organization. Consultants, for example, know how to design diagnostic instruments and OD interventions, and organization members have "local knowledge" about the organization and how it functions. Each participant learns from the change process. Organization members learn how to change their organization and how to refine and improve it. OD consultants learn how to facilitate complex organizational change and learning.

The action research model will continue to be the dominant methodological basis for planned change in the near future. But the basic philosophy of science on which traditional action research operates is also evolving and is described below.

The Positive Model

The third model of change, the positive model, represents an important departure from Lewin's model and the action research process. Those models are primarily deficit based; they focus on the organization's problems and how they can be solved so it functions better. The positive model focuses on what the organization is doing right. It helps members understand their organization when it is working at its best and builds off those capabilities to achieve even better results. This positive approach to change is consistent with a growing movement in the social sciences called "positive organizational scholarship," which focuses on positive dynamics in organizations that give rise to extraordinary outcomes. Considerable research on expectation effects also supports this model of planned change. It shows that people tend to act in ways that make their expectations occur. Thus, positive expectations about the organization can create an anticipation that energizes and directs behavior toward making those beliefs happen.

The positive model has been applied to planned change primarily through a process called appreciative inquiry (AI). As a "reformist and rebellious" form of social constructionism, AI explicitly infuses a positive value orientation into analyzing and changing organizations. Social constructionism assumes that organization members' shared experiences and interactions influence how they perceive the organization and behave in it. Because such shared meaning can determine how members approach planned change, AI encourages a positive orientation to how change is conceived and managed. It promotes broad member involvement in creating a shared vision about the organization's positive potential. That shared appreciation provides a powerful and guiding image of what the organization could be. Drawing heavily on AI, the positive model of planned change involves five phases that are given below.

Initiate the Inquiry. This first phase determines the subject of change. It emphasizes member involvement to identify the organizational issue they have the most energy to address. For example, members can choose to look for successful male–female collaboration (as opposed to sexual discrimination), instances of customer satisfaction (as opposed to customer dissatisfaction), particularly effective work teams, or product development processes that brought new ideas to market especially fast. If the focus of inquiry is real and vital to organization members, the change process itself will take on these positive attributes.

Inquire into Best Practices. This phase involves gathering information about the "best of what is" in the organization. If the topic is organizational innovation, then members help to develop an

interview protocol that collects stories of new ideas that were developed and implemented in the organization. The interviews are conducted by organization members; they interview each other and tell stories of innovation in which they have personally been involved. These stories are pulled together to create a pool of information describing the organization as an innovative system.

Discover the Themes. In this third phase, members examine the stories, both large and small, to identify a set of themes representing the common dimensions of people's experiences. For example, the stories of innovation may contain themes about how managers gave people the freedom to explore a new idea, the support organization members received from their coworkers, or how the exposure to customers sparked creative thinking. No theme is too small to be represented; it is important that all of the underlying mechanisms that helped to generate and support the themes be described. The themes represent the basis for moving from "what is" to "what could be."

Envision a Preferred Future. Members then examine the identified themes, challenge the status quo, and describe a compelling future. Based on the organization's successful past, members collectively visualize the organization's future and develop "possibility propositions"—statements that bridge the organization's current best practices with ideal possibilities for future organizing. These propositions should present a truly exciting, provocative, and possible picture of the future.

Based on these possibilities, members identify the relevant stakeholders and critical organization processes that must be aligned to support the emergence of the envisioned future. The vision becomes a statement of "what should be."

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

Comparisons of Change Models

All three models—Lewin's change model, the action research model, and the positive model—describe the phases by which planned change occurs in organizations. The models overlap in that their emphasis on action to implement organizational change is preceded by a preliminary stage (unfreezing, diagnosis, or initiate the inquiry) and is followed by a closing stage (refreezing or

evaluation). Moreover, all three approaches emphasize the application of behavioral science knowledge, involve organization members in the change process to varying degrees, and recognize that any interaction between a consultant and an organization constitutes an intervention that may affect the organization. However, Lewin's change model differs from the other two in that it focuses on the general process of planned change, rather than on specific OD activities.

Lewin's model and the action research model differ from the positive approach in terms of the level of involvement of the participants and the focus of change. Lewin's model and traditional action research emphasize the role of the consultant with relatively limited member involvement in the change process. Contemporary applications of action research and the positive model, on the other hand, treat both consultants and participants as co-learners who are heavily involved in planned change. In addition, Lewin's model and action research are more concerned with fixing problems than with focusing on what the organization does well and leveraging those strengths.

GENERAL MODEL OF PLANNED CHANGE

The three models of planned change suggest a general framework for planned change. The framework describes the four basic activities that practitioners and organization members jointly carry out in organization development. The arrows connecting the different activities in the model show the typical sequence of events, from entering and contracting, to diagnosing, to planning and implementing change, to evaluating and institutionalizing change. The lines connecting the activities emphasize that organizational change is not a straightforward, linear process but involves considerable overlap and feedback among the activities.

Entering and Contracting

The first set of activities in planned change concerns entering and contracting. Those events help managers decide whether they want to engage further in a planned change program and to commit resources to such a process. Entering an organization involves gathering initial data to understand the problems facing the organization or to determine the positive areas for inquiry. Once this information is collected, the problems or opportunities are discussed with managers and other organization members to develop a contract or agreement to engage in planned change. The contract spells out future change activities, the resources that will be committed to the process, and how OD practitioners and organization members will be involved. In many cases, organizations do not get beyond this early stage of planned change because one or more situations arise: Disagreements about

the need for change surface, resource constraints are encountered, or other methods for change appear more feasible. When OD is used in non-traditional and international settings, the entering and contracting process must be sensitive to the context in which the change is taking place.

Diagnosing

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

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

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

Planning and Implementing Change

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

Depending on the outcomes of diagnosis, there are four major types of interventions in OD:

- Human process interventions at the individual, group, and total system levels

- Interventions that modify an organization's structure and technology
- Human resources interventions that seek to improve member performance and wellness
- Strategic interventions that involve managing the organization's relationship to its external environment and the internal structure and process necessary to support a business strategy. It includes motivating change, creating a desired future vision of the organization, developing political support, managing the transition toward the vision, and sustaining momentum for change.

Evaluating and Institutionalizing Change

The final stage in planned change involves evaluating the effects of the intervention and managing the institutionalization of successful change programs so they persist. Feedback to organization members about the intervention's results provides information about whether the changes should be continued, modified, or suspended. Institutionalizing successful changes involves reinforcing them through feedback, rewards, and training.

It provides especially rich detail on the planning and implementing phase of change, and on how people can be involved in the process.

COMPETENCIES OF AN EFFECTIVE ORGANIZATION DEVELOPMENT PRACTITIONER

Intrapersonal Skills or "Self-Management" Competence: Despite the growing knowledge base and sophistication of the field, organization development is still a human craft. As the primary instrument of diagnosis and change, practitioners often must process complex, ambiguous information and make informed judgments about its relevance to organizational issues.

The core competency of analysis and diagnosis includes the ability to inquire into one's self, and as noted above, it remains one of the cornerstone skills in OD. Practitioners must have the personal centering to know their own values, feelings, and purposes as well as the integrity to behave responsibly in a helping relationship with others. Bob Tannenbaum, one of the founders of OD, argued that self-knowledge is the most central ingredient in OD practice and suggested that practitioners are becoming too enamored with skills and techniques.11 There are data to support his view. A study of 416 OD practitioners found that 47% agreed with the statement, "Many of the new entrants into the field have little understanding of or appreciation for the history or values underlying

the field." Because OD is a highly uncertain process requiring constant adjustment and innovation, practitioners must have active learning skills and a reasonable balance between their rational and emotional sides. Finally, OD practice can be highly stressful and can lead to early burnout, so practitioners need to know how to manage their own stress.

Interpersonal Skills: Practitioners must create and maintain effective relationships with individuals and groups within the organization and help them gain the competence necessary to solve their own problems. Group dynamics, comparative cultural perspectives, and business functions as foundation knowledge, and managing the consulting process and facilitation are core skills. All of these interpersonal competencies promote effective helping relationships. Such relationships start with a grasp of the organization's perspective and require listening to members' perceptions and feelings to understand how they see themselves and the organization. This understanding provides a starting point for joint diagnosis and problem solving. Practitioners must establish trust and rapport with organization members so that they can share pertinent information and work effectively together. This requires being able to converse in members' own language and to give and receive feedback about how the relationship is progressing.

To help members learn new skills and behaviors, practitioners must serve as role models of what is expected. They must act in ways that are credible to organization members and provide them with the counseling and coaching necessary to develop and change. Because the helping relationship is jointly determined, practitioners need to be able to negotiate an acceptable role and to manage changing expectations and demands.

General Consultation Skills: The ability to manage the consulting process and the ability to design interventions are core competencies that all OD practitioners should possess. OD starts with diagnosing an organization or department to understand its current functioning and to discover areas for further development.

OD practitioners need to know how to carry out an effective diagnosis, at least at a rudimentary level. They should know how to engage organization members in diagnosis, how to help them ask the right questions, and how to collect and analyze information.

A manager, for example, should be able to work with subordinates to determine jointly the organization's or department's strengths or problems. The manager should know basic diagnostic questions, some methods for gathering information, such as interviews or surveys, and some

techniques for analyzing it, such as forcefield analysis or statistical means and distributions. In addition to diagnosis, OD practitioners should know how to design and execute an intervention. They need to be able to define an action plan and to gain commitment to the program. They also need to know how to tailor the intervention to the situation, using information about how the change is progressing to guide implementation. For example, managers should be able to develop action steps for an intervention with subordinates. They should be able to gain their commitment to the program (usually through participation), sit down with them and assess how it is progressing, and make modifications if necessary.

Organization Development Theory: The last basic tool OD practitioners should have is a general knowledge of organization development, such as is presented in this book. They should have some appreciation for planned change, the action research model, and the positive approaches to managing change. They should be familiar with the range of available interventions and the need for evaluating change programs.

Perhaps most important is that OD practitioners should understand their own role in the emerging field of organization development, whether it is as an OD professional, a manager, or a specialist in a related area.

Part A (ONE Mark)

Multiple Choice Questions

Online Examination

Part B (2 Marks)

1. Define Organizational Development.
2. What is Diagnosis?
3. List the three steps of Change process.
4. What is Content Analysis?
5. Write notes on Action Research.
6. Draw the open systems model.
7. Write notes on Planned Change.

Part C (8 Marks)

1. Explore the history of Organizational Development.
2. Narrate Lewin's change model in detail.
3. Explain Action Research model of Planned change.
4. Describe the evolution of Organizational Development.
5. Bring out the knowledge and skill requirements for OD practioner.
6. Discuss the Positive model for Planned Change.
7. Explain the major design components of OD at Individual level.

UNIT-II OD Relationship

SYLLABUS

OD process: Initiating OD relationship, contracting and diagnosing the problem, Diagnosing models, open systems, individual level group level and organizational level diagnosis; collection and analysis for diagnostic information, feeding back the diagnosed information

Designing OD interventions

Human process interventions:- coaching, training and development, process consultation, third part intervention, and team building. Organization confrontation meeting, intergroup relations intervention, and large group intervention, Techno structural interventions:- Structural design, downsizing, reengineering, employee involvement, work design, socio technical systems approach.

ENTERING INTO AN OD RELATIONSHIP

An OD process generally starts when a member of an organization or unit contacts an OD practitioner about potential help in addressing an organizational issue. The organization member may be a manager, staff specialist, or some other key participant; the practitioner may be an OD professional from inside or outside of the organization. Determining whether the two parties should enter into an OD relationship typically involves clarifying the nature of the organization's current functioning and the issue(s) to be addressed, the relevant client system for that issue, and the appropriateness of the particular OD practitioner.3 In helping assess these issues, the OD practitioner may need to collect preliminary data about the organization. Similarly, the organization may need to gather information about the practitioner's competence and experience. This knowledge will help both parties determine whether they should proceed to develop a contract for working together.

DEVELOPING A CONTRACT

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

The goal of contracting is to make a good decision about how to carry out the OD process.11 It can be relatively informal and involve only a verbal agreement between the client and the OD practitioner. A

team leader with OD skills, for example, may voice his or her concerns to members about how the team is functioning. After some discussion, they might agree to devote one hour of future meeting time to diagnosing the team with the help of the leader. Here, entering and contracting are done together, informally.

In most cases, the client's expectations, resources, and working relationship requirements will not fit perfectly with the OD practitioner's essential and desirable requirements. Negotiating the differences to improve the likelihood of success can be intra- and interpersonally challenging.

Entering and contracting are the first exchanges between a client and an OD practitioner. Establishing a healthy relationship at the outset makes it more likely that the client's desired outcomes will be achieved and that the OD practitioner will be able to improve the organization's capacity to manage change in the future. This initial stage is full of uncertainty and ambiguity. On the one hand, the client is likely to feel exposed, inadequate, or vulnerable.

WHAT IS DIAGNOSIS?

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

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

THE NEED FOR DIAGNOSTIC MODELS

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

OPEN SYSTEMS MODEL

It is a set of concepts and relationships describing the properties and behaviors of things called systems—organizations, groups, and people, for example. Systems are viewed as unitary wholes composed of parts or subsystems; the system serves to integrate the parts into a functioning unit. For example, organization systems are composed of departments, such as sales, operations, and finance. The organization serves to coordinate behaviors of its departments so that they function together in service of a goal or strategy. The general diagnostic model based on systems theory that underlies most of the OD is called the "open systems model."

The open systems model also suggests that organizations and their subsystems— departments, groups, and individuals—share a number of common features that explain how they are organized and function. For example, open systems display a hierarchical ordering. Each higher level of system is composed of lower-level systems: Systems at the level of society are composed of organizations; organizations comprise are composed of groups (departments); and groups comprise are composed of individuals. Although systems at different levels vary in many ways—in size and complexity, for example—they have a number of common characteristics by virtue of being open systems, and those properties can be applied to systems at any level.

The following open systems properties are described below: environments; inputs, transformations, and outputs; boundaries; feedback; equifinality; and alignment.

Environments Organizational environments are everything beyond the boundaries of the system that can indirectly or directly affect performance and outcomes. Open systems, such as organizations and people, exchange information and resources with their environments. They cannot completely control their own behavior and are influenced in part by external forces. Organizations, for example, are affected by such environmental conditions as the availability of labor and human capital, raw material, customer demands, competition, and government regulations. Understanding how these external forces affect the organization can help explain some of its internal behavior.

Inputs, Transformations, and Outputs Any organizational system is composed of three related parts: inputs, transformations, and outputs. Inputs consist of human resources or other resources, such as information, energy, and materials, coming into the system.

Inputs are part of and acquired from the organization's external environment. For example, a manufacturing organization acquires raw materials from an outside supplier. Similarly, a hospital nursing unit acquires information concerning a patient's condition from the attending physician. In each case, the system (organization or nursing unit) obtains resources (raw materials or information) from its external environment.

Transformations are the processes of converting inputs into outputs. In organizations, a production or operations function composed of both social and technological components generally carries out transformations. The social component consists of people and their work relationships, whereas the technological component involves tools, techniques, and methods of production or service delivery. Organizations have developed elaborate mechanisms for transforming incoming resources into goods and services.

Banks, for example, transform deposits into mortgage loans and interest income. Schools attempt to transform students into more educated people. Transformation processes also can take place at the group and individual levels. For example, research and development departments can transform the latest scientific advances into new product ideas, and bank tellers can transform customer requests into valued services.

Outputs are the results of what is transformed by the system and sent to the environment. Thus, inputs that have been transformed represent outputs ready to leave the system. Group health insurance

companies receive premiums, healthy and unhealthy individuals, and medical bills; transform them through physician visits and record keeping; and export treated patients and payments to hospitals and physicians.

ORGANIZATION-LEVEL DIAGNOSIS

The organization level of analysis is the broadest systems perspective typically taken in diagnostic activities. The model is similar to other popular organization-level diagnostic models. These include Weisbord's six-box model, Nadler and Tushman's congruency model, Galbraith's star model, and Kotter's organization dynamics model. It proposes that an organization's transformation processes, or design components, represent the way the organization positions and organizes itself within an environment (inputs) to achieve specific outputs. The combination of design component elements is called a "strategic orientation."

To understand how a total organization functions, it is necessary to examine particular inputs, design components, and the alignment of the two sets of dimensions. The two key inputs affect the way an organization designs its strategic orientation: the general environment and the task environment or industry structure.

Organization Environments and Inputs

At the organization level of analysis, the external environment is the key input. We first describe different types of environments that can affect organizations. Then we identify environmental dimensions that influence organizational responses to external forces.

Environmental Types There are two classes of environments: the general environment and the task environment which reflects members' perceptions of the general and task environments.

The *general environment* consists of all external forces and elements that can influence an organization and affect its effectiveness. The environment can be described in terms of the amount of uncertainty present in social, technological, economic, ecological, and political/regulatory forces. Each of these forces can affect the organization in both direct and indirect ways. For example, the outbreak of SARS (severe acute respiratory syndrome) directly affected the demand uncertainty for tourism, airline, and other industries in Singapore, Hong Kong, Beijing, and Toronto. Cathay Pacific and Singapore Airlines had to ground much of their fleet as demand plummeted. The general environment also can affect organizations indirectly by virtue of the linkages between external agents. Any business that

was dependent on tourism or travel, such as restaurants, hotels, and museums, was also affected by the SARS outbreak. Similarly, an organization may have trouble obtaining raw materials from a supplier because a national union is grieving a management policy, a government regulator is bringing a lawsuit, or a consumer group is boycotting their products. Thus, components of the general environment can affect the organization without having any direct connection to it.

An organization's *task environment* or *industry structure* is another important input into strategic orientation. Michael Porter defines an organization's task environment by five forces: supplier power, buyer power, threats of substitutes, threats of entry, and rivalry among competitors.10 First, strategic orientations must be sensitive to powerful suppliers who can increase prices (and therefore lower profits) or force the organization to pay more attention to the supplier's needs than to the organization's needs.

For example, unions represent powerful suppliers of labor that can affect the costs of any organization within an industry. Second, strategic orientations must be sensitive to powerful buyers. Powerful retailers, such as Wal-Mart and Costco, can force Procter & Gamble, Johnson & Johnson, or other suppliers to lower prices or deliver their products in particular ways. Third, strategic orientations must be sensitive to the threat of new firms entering into competition. Profits in the restaurant business tend to be low because of the ease of starting a new restaurant. Fourth, strategic orientations must be sensitive to the threat of new products or services that can replace existing offerings. Ice cream producers must carefully monitor their costs and prices because it is easy for a consumer to purchase frozen yogurt or other types of desserts instead. Finally, strategic orientations must be sensitive to rivalry among existing competitors.

If many organizations are competing for the same customers, for example, then the strategic orientation must monitor product offerings, costs, and structures carefully if the organization is to survive and prosper. Together, these forces play an important role in determining the success of an organization, whether it is a manufacturing or service firm, a nonprofit organization, or a government agency.

Design Components

A strategic orientation is composed of five major design components— strategy, technology, structure, measurement systems, and human resources systems—and an intermediate output—culture. Effective organizations align their design components to each other and to the environment.

A strategy represents the way an organization uses its resources (human, economic, or technical) to achieve its goals and gain a competitive advantage.16 It can be described by the organization's mission, goals and objectives, strategic intent, and functional policies. A mission statement describes the long-term purpose of the organization, the range of products or services offered, the markets to be served, and the social needs served by the organization's existence. Goals and objectives are statements that provide explicit direction, set organization priorities, provide guidelines for management decisions, and serve as the cornerstone for organizing activities, designing jobs, and setting standards of achievement. Goals and objectives should set a target of achievement (such as 50% gross margins, an average employee satisfaction score of 4 on a 5-point scale, or some level of productivity); provide a means or system for measuring achievement; and provide a deadline or time frame for accomplishment. A strategic intent is a succinct label or metaphor that describes how the organization intends to leverage five dimensions of strategy to achieve its goals and objectives.

Technology is concerned with the way an organization converts inputs into products and services. It represents the core transformation process and includes production methods, work flow, and equipment.

The structural system describes how attention and resources are focused on task accomplishment.

Measurement systems are methods of gathering, assessing, and disseminating information on the activities of groups and individuals in organizations.

Human resources systems include mechanisms for selecting, developing, appraising, and rewarding organization members. These influence the mix of skills, personalities, and behaviors of organization members.

Organization culture is the final design component. It represents the basic assumptions, values, and norms shared by organization members. Those cultural elements are generally taken for granted and serve to guide members' perceptions, thoughts, and actions

Outputs

The outputs of a strategic orientation can be classified into three components. First, organization performance refers to financial outputs such as sales, profits, return on investment (ROI), and earnings per share (EPS). For nonprofit and government agencies, performance often refers to the extent to which costs were lowered or budgets met. Second, productivity concerns internal measurements of efficiency, such as sales per employee, waste, error rates, quality, or units produced per hour. Third, stakeholder satisfaction reflects how well the organization has met the expectations of different groups. Customer satisfaction can be measured in terms of market share or focus-group data; employee satisfaction can be measured in terms of an opinion survey; investor satisfaction can be measured in terms of stock price or analyst opinions.

GROUP-LEVEL DIAGNOSIS

It shows the inputs, design components, outputs, and relational fits for group-level diagnosis.

Inputs

Organization design is clearly the major input to group design. It consists of the design components characterizing the larger organization within which the group is embedded: technology, structure, measurement systems, and human resources systems, as well as organization culture. Technology can determine the characteristics of the group's task; structural systems can specify the level of coordination required among groups. The human resources and measurement systems, such as performance appraisal and reward systems, play an important role in determining team functioning.

For example, individual-based, forced ranking performance appraisal and reward systems tend to interfere with team functioning because members may be concerned with maximizing their individual performance to the detriment of team performance.

Collecting information about the group's organization design context can greatly improve the accuracy of diagnosis.

Design Components

Groups have five major components: goal clarity, task structure, group composition, team functioning, and performance norms.

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

Task structure is concerned with how the group's work is designed. Task structures can vary along two key dimensions: coordination of members' efforts and regulation of their task behaviours

Group composition concerns the membership of groups. Members can differ on a number of dimensions having relevance to group behavior. Demographic variables, such as age, education, experience, and skills and abilities, can affect how people behave and relate to each other in groups.

Team functioning is the underlying basis of group life. How members relate to each other is important in work groups because the quality of relationships can affect task performance.

Performance norms are member beliefs about how the group should perform its task and include acceptable levels of performance.9 Norms derive from interactions among members and serve as guides to group behavior.

Outputs

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

INDIVIDUAL-LEVEL DIAGNOSIS

The final level of organizational diagnosis is the individual job or position. An organization consists of numerous groups; a group, in turn, is composed of several individual jobs.

Inputs

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

Organization design is concerned with the larger organization within which the individual job is the smallest unit. Organization design is a key part of the larger context surrounding jobs. Technology,

structure, measurement systems, human resources systems, and culture can have a powerful impact on the way jobs are designed and on people's experiences in jobs.

Group design concerns the larger group or department containing the individual job. Like organization design, group design is an essential part of the job context. Task structure, goal clarity, group composition, performance norms, and team functioning serve as inputs to job design.

Personal characteristics of individuals occupying jobs include their age, education, experience, and skills and abilities. All of these can affect job performance as well as how people react to job designs. Individual needs and expectations can also affect employee job responses.

Design Components

Individual jobs have five key dimensions: skill variety, task identity, task significance, autonomy, and feedback about results.

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

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

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

Autonomy indicates the degree to which a job provides freedom and discretion in scheduling the work and determining work methods. Assembly line jobs generally have little autonomy: The work -pace is scheduled, and people perform preprogrammed tasks.

Feedback about results involves the degree to which a job provides employees with direct and clear information about the effectiveness of task performance.

COLLECTING AND ANALYZING DIAGNOSTIC INFORMATION

In most cases of planned change, OD practitioners play an active role in gathering data from organization members for diagnostic purposes. For example, they might interview members of a work team about causes of conflict among members; they might survey employees at a large industrial plant about factors contributing to poor product quality. Before collecting diagnostic information, practitioners need to establish a relationship with those who will provide and subsequently use it. Because the nature of that relationship affects the quality and usefulness of the data collected, it is vital that OD practitioners clarify for organization members who they are, why the data are being collected, what the data gathering will involve, and how the data will be used. That information can help allay people's natural fears that the data might be used against them and gain members' participation and support, which are essential to developing successful interventions.

Establishing the diagnostic relationship between the consultant and relevant organization members is similar to forming a contract. It is meant to clarify expectations and to specify the conditions of the relationship.

Finally, data collection helps to develop the collaborative relationship necessary for effecting organizational change. The diagnostic stage of action research is probably the first time that most organization members meet the OD practitioner, and it can be the basis for building a longer-term relationship. The data collection contract and subsequent data-gathering and feedback activities provide members with opportunities for seeing the consultant in action and for knowing her or him personally. If the consultant can show employees that he or she is trustworthy, is willing to work with them, and is able to help improve the organization, then the data collection process will contribute to the longer-term collaborative relationship so necessary for carrying out organizational changes.

METHODS FOR COLLECTING DATA

The four major techniques for gathering diagnostic data are questionnaires, interviews, observations, and unobtrusive measures.

Questionnaires

One of the most efficient ways to collect data is through questionnaires. Because they typically contain fixed-response queries about various features of an organization, these paper-and-pencil measures can be administered to large numbers of people simultaneously. Also, they can be analyzed quickly, especially with the use of computers, thus permitting quantitative comparison and evaluation. As a

result, data can easily be fed back to employees. Numerous basic resource books on survey methodology and questionnaire development are available.6

Questionnaires can vary in scope, some measuring selected aspects of organizations and others assessing more comprehensive organizational characteristics. They also can vary in the extent to which they are either standardized or tailored to a specific organization. Standardized instruments generally are based on an explicit model of organization, group, or individual effectiveness and contain a predetermined set of questions that have been developed and refined over time.

Questionnaires, however, have a number of drawbacks that need to be taken into account in choosing whether to employ them for data collection. First, responses are limited to the questions asked in the instrument. They provide little opportunity to probe for additional data or to ask for points of clarification. Second, questionnaires tend to be impersonal, and employees may not be willing to provide honest answers.

Third, questionnaires often elicit response biases, such as the tendency to answer questions in a socially acceptable manner. This makes it difficult to draw valid conclusions from employees' self-reports.

Interviews

A second important measurement technique is the *individual* or *group interview*. Interviews are probably the most widely used technique for collecting data in OD. They permit the interviewer to ask the respondent direct questions. Further probing and clarification is, therefore, possible as the interview proceeds. This flexibility is invaluable for gaining private views and feelings about the organization and for exploring new issues that emerge during the interview.

Interviews may be highly structured—resembling questionnaires—or highly unstructured— starting with general questions that allow the respondent to lead the way.

Structured interviews typically derive from a conceptual model of organization functioning; the model guides the types of questions that are asked. For example, a structured interview based on the organization-level design components would ask managers specific questions about technology, strategy, organization structure, measurement systems, human resources systems, and organization culture.

Unstructured interviews are more general and include the following broad questions about organizational functioning:

What are the major goals or objectives of the organization or department?

How does the organization currently perform with respect to these purposes?

What are the strengths and weaknesses of the organization or department?

What barriers stand in the way of good performance?

A major drawback of interviews is the amount of time required to conduct and analyze them. Interviews can consume a great deal of time, especially if interviewers take full advantage of the opportunity to hear respondents out and change their questions accordingly. Personal biases also can distort the data. Like questionnaires, interviews are subject to the self-report biases of respondents and, perhaps more important, to the biases of the interviewer.

Observations

One of the more direct ways of collecting data is simply to *observe* organizational behaviours in their functional settings. The OD practitioner may do this by walking casually through a work area and looking around or by simply counting the occurrences of specific kinds of behaviors (for example, the number of times a phone call is answered after three rings in a service department). Observation can range from complete participant observation, in which the OD practitioner becomes a member of the group under study, to more detached observation, in which the observer is clearly not part of the group or situation itself and may use film, videotape, and other methods to record behaviors.

Observations have a number of advantages. They are free of the biases inherent in self-report data. They put the practitioner directly in touch with the behaviors in question, without having to rely on others' perceptions. Observations also involve avoids the distortions that invariably arise when people are asked to recollect their behaviors. Finally, observations are adaptive in that the consultant can modify what he or she chooses to observe, depending on the circumstances.

Among the problems with observations are difficulties interpreting the meaning underlying the observations. Practitioners may need to devise a coding scheme to make sense out of observations, and this can be expensive, take time, and introduce biases into the data. Because the observer is the data collection instrument, personal bias and subjectivity can distort the data unless the observer is trained and skilled in knowing what to look for; how, where, and when to observe; and how to record data systematically. Another problem concerns sampling: Observers not only must decide which people to observe, they also must choose the time periods, territory, and events in which to make those

observations. Failure to attend to these sampling issues can result in highly biased samples of observational data.

Unobtrusive Measures

Unobtrusive data are not collected directly from respondents but from secondary sources, such as company records and archives. These data are generally available in organizations and include records of absenteeism or tardiness; grievances; quantity and quality of production or service; financial performance; meeting minutes; and correspondence with key customers, suppliers, or governmental agencies.

Unobtrusive measures are especially helpful in diagnosing the organization, group, and individual outputs. At the organization level, for example, market share and return on investment usually can be obtained from company reports. Similarly, organizations typically measure the quantity and quality of the outputs of work groups and individual employees. Unobtrusive measures also can help to diagnose organization-level design components—structure, work systems, control systems, and human resources systems.

TECHNIQUES FOR ANALYZING DATA

Data analysis techniques fall into two broad classes: qualitative and quantitative.

Qualitative techniques generally are easier to use because they do not rely on numerical data. That fact also makes them more open to subjective biases but also easier to understand and interpret. Quantitative techniques, on the other hand, can provide more accurate readings of the organizational problem.

Qualitative Tools

Of the several methods for summarizing diagnostic data in qualitative terms, two of the most important are content analysis and force-field analysis.

Content Analysis A popular technique for assessing qualitative data, especially interview data, is *content analysis*, which attempts to summarize comments into meaningful categories. When done well, a content analysis can reduce hundreds of interview comments into a few themes that effectively summarize the issues or attitudes of a group of respondents. The process of content analysis can be quite formal, and specialized references describe this technique in detail.12 In general, however, the process can be broken down into three major steps. First, responses to a particular question are read to

gain familiarity with the range of comments made and to determine whether some answers are occurring over and over again. Second, based on this sampling of comments, themes are generated that capture recurring comments. Themes consolidate different responses that say essentially the same thing. For example, in answering the question "What do you like most about your job?" different respondents might list their co-workers, their supervisors, the new machinery, and a good supply of tools. The first two answers concern the social aspects of work, and the second two address the resources available for doing the work. Third, the respondents' answers to a question are then placed into one of the categories. The categories with the most responses represent those themes that are most often mentioned.

Force-Field Analysis A second method for analyzing qualitative data in OD derives from Kurt Lewin's three-step model of change. Called *force-field analysis*, this method organizes information pertaining to organizational change into two major categories: forces for change and forces for maintaining the status quo or resisting change. Using data collected through interviews, observations, or unobtrusive measures, the first step in conducting a force-field analysis is to develop a list of all the forces promoting change and all those resisting it. Then, based either on the OD practitioner's personal belief or perhaps on input from several members of the client organization, a determination is made of which of the positive and which of the negative forces are most powerful. One can either rank the order or rate the strength of the different forces.

Quantitative Tools

Methods for analyzing quantitative data range from simple descriptive statistics of items or scales from standard instruments to more sophisticated, multivariate analysis of the underlying instrument properties and relationships among measured variables. The most common quantitative tools are means, standard deviations, and frequency distributions; scatter grams and correlation coefficients; and difference tests. These measures are routinely produced by most statistical computer software packages. Therefore, mathematical calculations are not discussed here.

Means, Standard Deviations, and Frequency Distributions One of the most economical and straightforward ways to summarize quantitative data is to compute a *mean* and *standard deviation* for each item or variable measured. These represent the respondents' average score and the spread or variability of the responses, respectively.

But the mean can be a misleading statistic. It only describes the average value and thus provides no information on the distribution of the responses. Different patterns of responses can produce the same mean score. Therefore, it is important to use the standard deviation along with the frequency distribution to gain a clearer understanding of the data. The *frequency distribution* is a graphical method for displaying data that shows the number of times a particular response was given.

Scatter grams and Correlation Coefficients In addition to describing data, quantitative techniques also permit OD consultants to make inferences about the relationships between variables. Scatter grams and correlation coefficients are measures of the strength of a relationship between two variables. A *scatter gram* is a diagram that visually displays the relationship between two variables.

The *correlation coefficient* is simply a number that summarizes data in a scatter gram. Its value ranges between _1.0 and −1.0. A correlation coefficient of _1.0 means that there is a perfectly positive relationship between two variables, whereas a correlation of − 1.0 signifies a perfectly negative relationship. A correlation of 0 implies a "shotgun" scatter gram where there is no relationship between two variables.

Difference Tests The final technique for analyzing quantitative data is the *difference test.* It can be used to compare a sample group against some standard or norm to determine whether the group is above or below that standard. It also can be used to determine whether two samples are significantly different from each other

DETERMINING THE CONTENT OF THE FEEDBACK

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

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

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

- **Understandable.** Data must be presented to organization members in a form that is readily interpreted. Statistical data, for example, can be made understandable through the use of graphs and charts.
- **Descriptive.** Feedback data need to be linked to real organizational behaviors if they are to arouse and direct energy. The use of examples and detailed illustrations can help employees gain a better feel for the data.
- **Verifiable.** Feedback data should be valid and accurate if they are to guide action. Thus, the information should allow organization members to verify whether the findings really describe the organization. For example, questionnaire data might include information about the sample of respondents as well as frequency distributions for each item or measure. Such information can help members verify whether the feedback data accurately represent organizational events or attitudes.
- **Timely.** Data should be fed back to members as quickly as possible after being collected and analyzed. This will help ensure that the information is still valid and is linked to members' motivations to examine it.
- **Limited.** Because people can easily become overloaded with too much information, feedback data should be limited to what employees can realistically process at one time.
- **Significant.** Feedback should be limited to those problems that organization members can do something about because it will energize them and help direct their efforts toward realistic changes.
- **Comparative.** Feedback data can be ambiguous without some benchmark as a reference. Whenever possible, data from comparative groups should be provided to give organization members a better idea of how their group fits into a broader context.
- **Unfinalized.** Feedback is primarily a stimulus for action and thus should spur further diagnosis and problem solving. Members should be encouraged, for example, to use the data as a starting point for more in-depth discussion of organizational issues.

SURVEY FEEDBACK

Survey feedback is a process of collecting and feeding back data from an organization or department through the use of a questionnaire or survey. The data are analyzed, fed back to organization members,

and used by them to diagnose the organization and to develop interventions to improve it. Because questionnaires often are used in organization diagnosis, particularly in OD efforts involving large numbers of participants, and because it is a powerful intervention in its own right,

Limitations of Survey Feedback

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

- **Ambiguity of purpose.** Managers and staff groups responsible for the survey-feedback process may have difficulty reaching sufficient consensus about the purposes of the survey, its content, and how it will be fed back to participants. Such confusion can lead to considerable disagreement over the data collected and paralysis about doing anything with them.
- **Distrust.** High levels of distrust in the organization can render the survey feedback ineffective. Employees need to trust that their responses will remain anonymous and that management is serious about sharing the data and solving problems jointly.
- **Unacceptable topics.** Most organizations have certain topics that they do not want examined. This can severely constrain the scope of the survey process, particularly if the neglected topics are important to employees.
- **Organizational disturbance.** The survey-feedback process can unduly disturb organizational functioning. Data collection and feedback typically infringe on employee work time. Moreover, administration of a survey can call attention to issues with which management is unwilling to deal, and can create unrealistic expectations about organizational improvement.

Part A (ONE Mark)

Multiple Choice Questions

Online Examination

Part B (2 Marks)

1. Define Organizational change.
2. What is Contracting?
3. List the inputs at Organizational level.
4. What is Goal clarity?
5. Write notes on Feedback.
6. State the design components of individual level.
7. Write notes on Team work.

Part C (8 Marks)

1. Explore the dimensions of OD model at Organizational level.
2. Narrate the ways of entering and contracting into OD relationship.
3. Explain the dimensions of OD model at Group level.
4. Describe the design components of Group level OD model.
5. Bring out the various methods of Data collection.
6. Discuss the dimensions of OD model at Group level.
7. Explain the various methods of analyzing Data.
8. Bring out the advantages and disadvantages of Questionnaire an Observation.